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No. 2297

EGYPT: INFORMATION ON ECONOMIC AFFAIRS



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CONTENTS

THE PUBLIC SECTOR

History of Public Sector in Modern Times Tabulated (AL-AHRAM AL-IQTISADI, Aug 79).....	1
Panel Heatedly Discusses Sector's Future (Mustafa Imam; AL-AHRAM AL-IQTISADI, 10 Nov 80).....	35
Top Industry Policymakers Discuss Sector Role (Mu'tasim Rashid; AL-AHRAM AL-IQTISADI, 10 Nov 80).....	41
Domestic Industry Balance Sheets for Last Year Reviewed (Jamal Zayidah; AL-AHRAM AL-IQTISADI, 12 Jan 81).....	45
High Transport Losses on Trains Reviewed (Muhyi-al-Din Fathi; AL-AHRAM, 25 Oct 80).....	52
Development Conference Rejects Industry Ministry Plan for Sector (AL-'UMMAL, 10 Nov 80).....	54
Press Coverage of Production Conference Reviewed (Ahmad Hark; AL-'UMMAL, 10 Nov 80).....	56
President Gets Production Conference Greeting (AL-'UMMAL, 10 Nov 80).....	58
Deputy Premier Outlines Government Economic Policies (AL-'UMMAL, 10 Nov 80).....	59
Union Federation Chief Stresses Continued Support for Sector (AL-'UMMAL, 10 Nov 80).....	63
Worker Conference Delegates Discuss Industry Ministry Plans (AL-'UMMAL, 10 Nov 80).....	67

Committee Criticizes Liberalization, Scrutinizes Financial Policy (AL-'UMMAL, 10 Nov 80).....	69
Conference Committee Discusses Various Labor Problems (AL-'UMMAL, 10 Nov 80).....	73
Committee Reviews Application of Private Sector Incentives (AL-'UMMAL, 10 Nov 80).....	78
Peacetime Economy Conference Issues Final Resolutions (AL-'UMMAL, 10 Nov 80).....	81
Delegate to Labor Conference Summarizes Mood ('Abd-al-Mughni Sa'id; AL-'UMMAL, 10 Nov 80).....	90
New Fiscal Measures Propounded for Paying Sector Debts (AL-'UMMAL, 8 Dec 80).....	93
New Collective Bargaining Techniques Applied in Sector ('Atif Husayn; AL-'UMMAL, 15 Dec 80).....	95

GOVERNMENT-CONTROLLED PRICING SYSTEM

Chronology of Price-Setting Measures Reviewed (Jamal Zayidah; AL-AHRAM AL-IQTISADI, 29 Sep 80).....	99
New Prices Set on All Food Items (AL-AHRAM, 10 Dec 80).....	110
Various Consumer Price Indices Reviewed (AL-AHRAM AL-IQTISADI, 17 Nov 80).....	112
High Wood Prices, Flight of Craftsmen Raise Furniture Prices (Samiyah Labib; AKHBAR AL-YAWM, 22 Dec 80).....	121
August 1980 Consumer Price Indices for Cities Reviewed (AL-AHRAM AL-IQTISADI, 24 Nov 80).....	124
Briefs Increase in Consumption.....	125

EMPLOYMENT OF GRADUATING STUDENTS

Various Features of Disguised Graduate Unemployment Reviewed ('Isam Rif'at; AL-AHRAM, 14 Nov 80).....	126
Top Officials Give Employment Views at Newspaper Panel (AL-AHRAM, 21, 28 Nov 80).....	130
Manpower Ministry Reviews Graduate Hiring Statute (AL-'UMMAL, 10 Nov 80).....	142

New Graduate Hiring Policy Explored ('Abd-al-Salam Wafa; AL-MUSAWWAR, 28 Nov 80).....	143
President Underlines Commitment To Hire Graduates ('Izzat Sami; AL-'UNMAL, 8 Dec 80).....	148
AGRICULTURE	
Problems of Farmers, Farm Output Reviewed at Symposium (AL-AHRAM, 12 Dec 80).....	150
New More Efficient Forms of Irrigation Urged (AL-AHRAM, 19 Dec 80).....	156
Major New Irrigation Scheme in East Delta, Sinai Surveyed (Tahani Ibrahim, Muhammad al-Zarqani; AKHBAR AL-YAWM, 27 Dec 80).....	164
Question of Peace Canal Route, Expropriations Aired (Tahani Ibrahim, Muhammad al-Zarqani; AKHBAR AL-YAWM, 27 Dec 80).....	168
Cultivated Land To Be Hit by Peace Canal Reviewed (Tahani Ibrahim, Muhammad al-Zarqani; AKHBAR AL-YAWM, 27 Dec 80).....	171
ENERGY	
Oil Minister Outlines Future Plans for Sector (AL-AHRAM AL-IQTISADI, 1 Dec 80).....	173
Belayim Petroleum Company Outlines Discoveries, Output (AL-MUSAWWAR, 28 Nov 80).....	180
General Petroleum Company Cites Achievements (AL-MUSAWWAR, 28 Nov 80).....	182
Gulf Petroleum Company Operations Are Summarized (AL-MUSAWWAR, 28 Nov 80).....	184
Oil Activities in Nation in 1979 Summarized (Samihah Isma'il; PETROLEUM, Sep-Oct 79).....	185
Various Oil Industry Statistics Presented (Yahya Zamzam; PETROLEUM, Sep-Oct 79).....	189
Structure of Domestic Energy Consumption Surveyed (Halim Murqus; PETROLEUM, Mar-Apr 79).....	191
Aspects of Energy Consumption, Conservation Reviewed ('Abd-al-Fattah al-Baradi; PETROLEUM, Sep-Oct 69).....	196

Power Minister Discusses Electricity Pricing (AL-AHRAM AL-IQTISADI, 1 Dec 80).....	201
Frequency of Power Blackouts in Cairo Examined (Dina Rayyan; AQIBAR AL-YAWM, 27 Dec 80).....	203
Nuclear Power Construction Envisioned (AL-AHRAM, 22 Dec 80).....	206
Uranium Output Slated for Eastern Desert (AL-'UNMAL, 29 Dec 80).....	207
Future of Solar Energy Reviewed (Ahmad Nur-al-Din; PETROLEUM, Sep-Oct 79).....	209

TOURISM

General Economics of Tourist Business Reviewed ('Islam Rif'at; AL-AHRAM AL-IQTISADI, 17 Nov 80).....	219
Figures on Nation's Tourists, Tourist Revenues Tabulated (AL-AHRAM AL-IQTISADI, 13 Nov 80).....	223

THE QATTARAH DEPRESSION PROJECT

Various Chances for Water, Electrical Exploitation of Depression Reviewed (Muhammad 'Abd-al-Tawwab; AL-AHRAM, various dates).....	227
Problem of World War Two Minefields in Project Area Reviewed (Jabir al-Maj'awi; AL-AHRAM, 14 Dec 80).....	243

THE PUBLIC SECTOR

HISTORY OF PUBLIC SECTOR IN MODERN TIMES TABULATED

Cairo AL-AHWAM AL-IQTISADI in Arabic Aug 79 pp 26-46

[Article: "The Public Sector and the Egyptian Economy"]

[Text] 1956

November: The General Economic Organization Law

Yesterday a law was issued bearing on the establishment of a general economic organization in which the government's share of the capital of joint stock companies and public economic organizations will be combined. It will seek to set out a policy for investing these funds and channeling them in a manner which will realize the interests of the domestic economy and contribute to promulgation of programs and plans which will ensure government cooperation with private companies and authorities in economic activity.

This organization will contribute the funds or receipts of the loans it issues and collects to the establishment of commercial, financial, industrial, agricultural and real estate companies or installations and will thus assist in the exploitation of natural resources, the increase of domestic income and the rise in the standard of living in the country. The organization will not retain the shares in these companies for a long time; rather, it will have as an objective the establishment of the industry the country requires with its own capital.

Even if such industry achieves aspects of success, the organization will offer the shares it possesses in that industry on the market, will leave management of it to individuals, and will spend receipts from the sale of these shares on establishing new industries. There is no doubt that this participation in financing various industries on the government's part will strengthen confidence in the new companies, spread the spirit of confidence throughout the market and prepare a suitable climate for individuals to contribute their capital with the economic organization in establishing joint-stock companies or to establish new industries by themselves.

The organization will be represented in the boards of directors of companies in whose capital it has a share by a number of members, in keeping with this share. The purpose of this representation will be to help the companies grow and prosper, guarantee the proper course of activity in them, and preserve the rights of the small shareholders whose voices may not reach the boards of directors. The company's

representation in the various companies in which it will participate will also ensure the coordination of activity between these companies and their orientation in a manner consonant with the public interest and will create harmony and concord between these companies' activities and general economic activity, in order to achieve social goals and the welfare of the people.

1961

16 April: The Higher Public Organization Council

Yesterday a republican decree was issued forming a higher council for public organizations of an economic character for the southern region. Field Marshal 'Abd-al-Hakim 'Amir, the vice president, will head the new council. The council will include the central ministers of economy, industry, agricultures and supply, and will also include ministers who assume the chairmanship of boards of organizations of an economic character which the council will supervise, namely the Misr Organization, the al-Nasr Organization, the Economic Organization, the Consumer Cooperative Organization, the Productive Cooperative Organization and the Agricultural Cooperative Organization.

18 April: The People Own the Public Sector of the Economy and Its Owner Will Be in Charge of Guidance and Surveillance

The economic editor of AL-AHRAM has learned that the organization of work in productive segments of public sector activity in the economy is to be completed by determining the responsibility for reviewing the activity of its organizations and companies.

It is well known that the responsibility for the activity of any company in the private sector is generally dominated and supervised by the general assembly of stockholders in that company, on grounds that that represents its owners.

In the public sector companies, this responsibility — the ultimate responsibility for surveillance — seemed not to have been determined naturally following implementation and it has been decided that this responsibility will revolve on the National Assembly.

12 May: Discussion of Important Modifications in the Companies Law

Mr Hasan 'Abbas Zaki, executive minister of economy, will meet with officials in the Companies Department tomorrow to complete studying the modification of the Companies Law. Among the most important of these proposed modifications are:

Prohibition of transaction with company funds without documentation lest members of the board of directors and senior officials of the company decide to waste this money or spend it on matters which will not be of benefit to it.

Accountants will not be allowed to audit the accounts of more than 10 companies and public organizations and authorities and branches of foreign companies will be considered equivalent to companies in this respect.

Misdemeanor penalties for smuggling funds will be added to the penalties preventing their perpetrators from holding membership in the boards of directors of companies. The current law does not prevent people perpetrating this crime from belonging to companies.

The Companies Department will be given the right to investigate the accounts of companies and present its reports to the Investigation Committee to be read out at the companies' general assembly.

A council to carry out the instructions of the board of directors will be established for managers which will set out general policy through the appointed member; it will receive the recommendations of managers or employees in the case of companies whose capital is in excess of 100,000 pounds.

The minister has recommended this amendment because of personal disputes among managers which may get out of control and put the functioning of the companies in jeopardy.

2 July: Ministerial Decrees To Implement the New Socialist Laws

Yesterday the ministries continued implementing decrees nationalizing companies and banks and appointing employees who will take charge of administering and supervising these companies.

A decree was issued appointing 41 delegated members to administer nine companies, organizations and factories which were nationalized, in which the public sector owns 50 percent of the shares or in which no individual's shares exceed 10,000 pounds.

General instructions have also been issued on the measures which must be followed to coordinate work procedures among delegates and assigned persons concerned with the council's decree:

Management of the Economic Organization:

As soon as the decree of the Economic Organization choosing delegates, assigned persons or appointed members is received, they must proceed to ward the company's headquarters, assume the special powers assigned to them, and summon the senior employees and people in charge of management to inform them of this.

As regards the nationalized companies whose ownership has devolved upon the government:

1. If the shares of these companies are listed on the financial certificates market and trade occurred in them in the 6 months preceding the issuance of the Nationalization Law, it is clear that their value will accrue the organization on the basis of the price at the final closing of the securities market in Cairo preceding issuance of the Nationalization Law. However, it would be wise to portray the company's financial state as of the date it reverted to the organization.
2. If the shares were not traded on the market or more than 6 months elapsed since the last transaction in them, an actual inventory must be taken of the fixed and transacted assets, the accounts must be set aside, and the financial status of

the company or institution must be portrayed in order to become a basis for the appraisal process stipulated in Article 3 of Law No 117 for the Year 1961.

As regards companies subject to the provisions of Law No 118 for the Year 1961 and Law No 119 for the same year:

1. The delegates, assigned persons or appointed members must begin taking the measures stipulated in Articles One and Two of Law No 118 and Article One of Law No 119.
2. If the shares in these companies are listed on the securities market in Cairo and they have been traded within 6 months prior to the issuance of these two laws, the capital value of the organization's contribution will of course be determined on the basis of the price of the share as of the last closing of the market. However, the organization will be in charge of appraising itself of the financial status of the company as of the date of issuance of the law.
3. If the shares have not been traded in the market, or more than 6 months have elapsed since the last transaction in them, it will be necessary to conduct an actual inventory and portray the financial status of the company or installation on the date of issuance of the law which will basically be suitable for the stipulated appraisal.

As regards bank accounts, revenue papers and financial papers deposited with them, the delegates or persons assigned to the management must in all cases proceed to inform the banks which the company or institution deal with, convey to them a copy of the decree appointing them, determine who has the right to sign checks, and ask these banks to convey to them the company's account balances in their possession along with a detailed statement of the revenue papers and financial papers on deposit with them and the degree to which they correspond to the balances and statements in the books. They must request the banks to refer to them regarding endorsement of checks which they had previously drawn but had not presented for disbursement up to the date of issuance of the law, after they have been made to correspond to the restrictions in the accounts and the propriety of the operations for which they were drawn has been confirmed. As far as the treasury goes, a permit must be given on the latest account restrictions in the check ledger from the date of receipt, the books or accounts whose place they take must be allocated, and the book balance must be made to correspond as a result of an actual treasury inventory; in addition, the employee in charge of the treasury must sign, make an investigation into the reason for the surplus or deficit, if one exists, and adopt suitable measures.

8 July: Employees in general organizations participate in the general unions of their occupations.

20 July: Participation in Profits and Management

In order to consummate the social revolution, President Jamal 'Abd-al-Nasir adopted the following revolutionary measures yesterday in the form of laws to be applied immediately in both regions of the United Arab Republic:

1. A law stipulating that workers in all companies or organizations will have the right to up to 25 percent of their profits; 10 percent of this will be distributed to them directly, 5 percent will be allocated to social services and housing by agreement between the company or organization management and the workers' union, and the remaining 10 percent will be devoted to the provision of central social services for them.

2. A law stipulating that workers in every company or organization will have two members on its board of directors, to be chosen by public secret ballot; one will be a representative of the workers and the other will be a representative of the organization. The number of members on the board of directors will not exceed seven.

3. A law stipulating that salaries in any public company or organization will not exceed 5,000 pounds, that is, 50,000 Syrian pounds, a year, including all raises and allowances. This is in addition to a fourth revolutionary measure whose application will be restricted to the Egyptian region, calling for an income tax on the higher classes escalating to 90 percent once incomes reach 10,000 pounds. These are the stipulations of the laws.

21 July: Every Company Is Subject to Its Own Law

AL-AHFAM's correspondent has learned that none of the companies and organizations included under the new socialist measures will be subject to anything but the law which accompanies the list it is on. This means, for example, that the maximum personal ownership in companies whose shares are 50 percent owned by the public sector will not be applied when such ownership does not exceed 10,000 pounds worth of shares.

21 July: New Measures on the Road to Socialism

The public sector enters into 399 companies; ownership of 149 companies is transferred to the public sector; the public sector takes 50 percent ownership in 91 companies.

In order to achieve the great goal of our society, which is to turn all citizens into owners of property and enable them all to exercise this sacred right;

In order to expand the base of the public sector, on grounds that it is the people who own and possess this sector: President Jamal 'Abd-al-Nasir adopted these new socialist measures yesterday for immediate application in both regions of the United Arab Republic:

1. Ownership of 149 companies has been transferred to the public sector, they have been nationalized, and people possessing shares in them have been compensated with 15-year government bonds at 4 percent a year.

2. The public sector will assume at least 50 percent ownership in the capital of 91 companies, and shareholders and owners of capital will be compensated with 15-year government bonds at 4 percent interest a year.

3. The ownership of all individuals in 159 companies will be set at no more than 10,000 pounds, or 100,000 Syrian pounds.

4. Government, public sector organization and quasi-governmental company contracting activities in the Egyptian region will be restricted to organizations in which the government and public organizations participate. This prohibition will not apply to activities which do not exceed 30,000 pounds in value.

5. The concession to the Cairo tram utility will lapse.

6. The LeBon and Partners Company concession in Alexandria will lapse.

7. Cotton organizations in the southern region will be organized in a manner whereby the capital of none of these companies will be less than 200,000 pounds, and the public sector will participate in its capital to a minimum of 51 percent.

22 July: The Finance Companies Subject to the Companies Law Following the Elimination of Companies Incorporated into the Public Sector total about 700

A republican decree was issued yesterday specifying the administrative bodies supervising nationalized companies, companies in which general organizations participate with 50 percent of their capital, and companies where ownership of shares by persons has been stipulated to exceed 10,000 pounds in value.

The Economic Organization has been assigned to supervise 95 companies, the Misr Organization has been assigned to supervise 79 companies, the al-Nasr Organization has been assigned to supervise 63 companies, the Syrian Economic Organization has been assigned to supervise 27 companies, the General Agricultural Cooperation Organization has been assigned to supervise six, Madinat Nasr has been assigned to supervise 11, the Consumer Cooperative Organization has been assigned to supervise 33, the General Pharmaceutical Organization has been assigned to supervise seven, the Transportation and Communications Organization has been assigned to supervise 24, the Ministry of Works of the Egyptian Region has been assigned to supervise one company, the Ministry of Municipal and Village Affairs of the Egyptian region has been assigned to supervise a company, and the Ministry of Economy of the Syrian region has been assigned to supervise 74 companies. These companies total 392 companies and banks.

26 July: Implementation of the Law on 50 Percent Shares

Mr Hasan 'Abbas Zaki, executive minister of economy, issued a decree describing the mode by which the public sector would have 50 percent participation in the companies stipulated by the law.

According to this decree, the ownership of half of each of the stocks in these companies will revert to the public sector in exchange for bonds which the owner of the stock will receive from the Central Bank. At the same time, each company will divide the value of the remaining half of the stock into token shares worth 1 pound each, to be received by the owner of the stock.

26 July: 22 Decrees to Implement the Nationalization of Road and Transport Companies

Dr Mustafa Khalil, executive minister of communications for the Egyptian region, issued 22 decrees organizing the implementation of republican decrees bearing on the nationalization of road project contracting and bus transportation companies. These will merge the former managers of road companies, who number 11 to the government delegates in their administration, and they jointly will be granted the authorities of appointed members of boards of directors and directors general of companies. In addition, the boards of directors of the transportation companies, who also number 11, have been prevented from continuing to exercise any of their powers. Delegates have been appointed to them, each of whom will have the powers of an appointed member of a board of directors.

29 July: Application of the Statute on 7 Hours of Work in Factories Begins

Today, the implementation of the statute reducing work hours to 7 hours instead of 8 will begin in 107 organizations.

Dr 'Aziz Sidqi, the central minister of industry, yesterday proclaimed a ministerial decree with the names of the organizations to which the 7-hour statute will apply. The decree obligates every one of these organizations to appoint a specific number of new workers (which the decree has specified) to meet the deficit the organization will be facing as a result of the drop in work hours. At a press conference he held yesterday, the minister said that the total number of new workers who would be employed in these organizations comes to more than 15,000, and they would be appointed without prejudice to or reduction of the wages and benefits which present workers receive.

The minister said that he had issued this ministerial decree in accordance with a republican decree on a law issued by President Jamal 'Abd-al-Nasir assigning the central minister of industry to specify the industrial organizations in which it was not permissible for workers actually to work more than 42 hours a week. The minister said that the appointment of this number of workers, which would take place in a year at most, would not be followed by an increase in price in the products of the organizations to which they would be appointed, but that he would issue a decree stabilizing the prices of these products at their present level so that the organization would not subsequently try to raise them. The minister went on to say, "In order to create greater opportunities for workers in the industrial environment by using idle capacity and increasing output, President Jamal 'Abd-al-Nasir issued a republican decree with a law granting the central minister of industry the power to set the volume of production in local industrial establishments and determine the number of shifts in them. This law would strive to impose operation in three shifts whenever possible, and in the near future we will issue the executive decrees for that."

31 July: 24,000 Workers Appointed in a Year

Dr 'Aziz Sidqi, central minister of industry, issued a second decree setting work hours at seven hours per day or 42 hours per week in 233 organizations, companies and factories. The periods allocated for taking meals and rest will not be part of the work hours, and the wages of workers will not be affected by drops in the hours of work.

These organizations, companies and factories will be bound to appointing 8,805 workers for training in a year, and within a month of today they must present to the ministry (the Industrial Surveillance Department) a list of the new workers and their trades preparatory to its approval. Application of the decree will be gradual with respect to these organizations, within a year; with the addition of the new workers to those workers on whose employment the first decree was issued, the overall total of workers to be appointed in a year will come to about 24,000. Other executive decrees will be issued to achieve the goals of President 'Abd-al-Nasir's two decrees setting work hours.

1 August: Three Goals to Which the Organization Will Be Bound

AL-AHAWM's correspondent has learned that the basis of work and surveillance in all production units, organizations, factories and companies will proceed along three foundations — the goal of production, the goal of profit and the goal of labor.

2 August: Five Conditions for Members of Company Boards of Directors

Mr Hasan 'Abbas Zaki, executive minister of economy, issued a ministerial decree on the rules to be followed when discussing the applications by members of company board of directors for permits to perform technical or administrative activities in the companies, and the applications of members who reach 60 years and over for exceeding the conditions for their age. The decree calls for the members to be experts who do not have peers in their technology and have acquired experience and expertise which will allow use to be made of them in other fields, and states that the number of persons exempted from the age condition not exceed one per company board of directors.

The decree also stipulates that the members content themselves with membership in the board of directors of one company and that they be government employees who have spent a long period in government service and in work consonant with the activities they will be assigned to supervise in the company.

2 August: New Formation of Organization Boards of Directors

AL-AHAWM's correspondent has learned that the boards of directors of companies and organizations which entered within the scope of the revolutionary measures are now being reorganized and that the boards of these directors will be reconstituted in a manner which will cause them to include all fields of competence and at the same time possess the desire revolutionarily to surge forward for the sake of production.

4 August: No Worker or Employee Will Be Dismissed

Dr Mustafa Khalil, minister of communications, said that he would not dismiss a worker or employee in any of the companies or organizations which had been nationalized or in which the government has taken a share, and that each must be given his wage or salary at the time when he was used to having it disbursed to him.

Work must not stop in any company or organization for one minute, whatever the circumstances may be.

6 August: Legal Committees to Appraise Companies

The Ministry of Justice has nominated 41 counsellors to the evaluation committees which the law on the Nationalization of Companies and Organizations and the law bearing on government participation in certain companies have stipulated. These committees will set the prices of shares which have not been transacted in the market in the 6 months preceding the issuance of the latest socialist laws, in the case of 82 companies.

7 August: Banks Act for the Public in Implementing Government Participation Law

The banks, by proxy for shareholders, will at no charge, assume the measures of carrying out the law bearing on government participation at a rate of no less than 50 percent of the capital in certain companies and installations in order to facilitate matters for these shareholders. Everyone who owns shares in the companies subject to the provision of this law (No 18 for the Year 1961) and who has the shares in his possession must submit them in a period ending this 15 August to any bank, in exchange for a receipt. This bank will, on his behalf, at no charge, proceed to adopt the necessary measures in regard to these shares then will return them to him after the measures are completed. As to shares deposited with a bank or middleman, the latter will be in charge of directly carrying out the necessary measures with regard to them.

8 August: 50 Percent of Company Shares Will Be Split Up

Yesterday a responsible source stated to AL-NUBA's correspondent that the shares in companies where the government has taken possession of half of the stock are the only ones whose token value will be split up 1:1 and its owners shares will be turned into token shares.

Stock in the group of companies where ownership has been set at a maximum of 10,000 pounds per person will continue to retain its present value.

10 August: Contracting with Foreign Companies without Bids

The government is to contract with some companies and authorities directly without holding competitive bids. These are companies in which the public sector owns more than 50 percent of the capital. The rights of these companies and authorities are also specified.

13 August: Measures to Protect Stockholders

Yesterday Mr Hasan 'Abbas Zaki, executive minister of economy, announced the special measures which President Jamal 'Abd-al-Nasir ordered be taken to protect small stockholders and financiers subjected to the latest socialist Laws No 117, 118 and 119, enabling them to obtain the liquid funds they might need in an urgent fashion.

These measures include the following:

First, the government will pay off the value of the bonds it will issue to the owners of stock in companies to which the latest socialist laws have been applied in cash, up to 1,000 pounds for each person whose holdings of stock do not exceed 5,000 pounds.

Second, loans on the bonds issued in accordance with the socialist laws issued will be at 85 percent of their value.

Third, loans on stocks will be at 40 percent of the collateral on the stocks or the bonds, provided that the loans the individual receives in the light of this statute not exceed 5,000 pounds.

Fourth, the interest rate on the loans the banks will grant with financial paper as collateral will be reduced whereby the maximum interest rate on loans with bonds issued as collateral will be 3.25 percent and, with stock as collateral, 5 percent annually.

13 August: Restriction of Membership in Boards of Directors to One Company

President Jamal 'Abd-al-Nasir has issued a decree on a law defining the means for forming boards of directors in joint stock companies in implementation of the socialist laws issued on the ninth anniversary of the revolution. This decree on a law requires that the boards of directors of these companies be composed of a maximum of seven members, two of whom will be elected by employees and workers and some of whom will be elected by the general assembly of the companies, in a way whereby the companies will have at least one and at most three company directors. In the case of companies where the government or a general authority or organization has a share of no less than 25 percent of the capital, assignment of membership in the board, with regard to those five members, will be by appointment by decree of the president in accordance with the recommendation of the chairman of the board of directors of the general authority or organization.

Compensation for membership in the board of directors in the case of members who have been appointed or nominated from among managers, workers or employees of the company will be restricted to allowances for attending meetings. Out of the desire that every member of the board of directors be fully free to engage in the work assigned to him in the company, it has been considered that membership will be restricted to one company only.

New Authorities for Administrative Bodies

President Jamal 'Abd-al-Nasir issued a republican decree on a law yesterday granting the power of the general assembly or group of partners to the boards of directors of administrative bodies supervising companies and installations included in the latest socialist laws and the boards of directors of general organizations participating in cotton export installations as regards amending the bylaws of participating companies, merging two or more companies or installations, and converting any company or installation into a joint stock company. The law also requires that the decrees of the committee formed to appraise [Law No. 117, 118 and 119 for the

Year 1961 be considered final with respect to shares in kind in cases where the law requires that the shares be appraised. In this regard, it is the goal of the law to complete reconciling the conditions of these companies and installations during the second period of Law No 118 for the Year 1961, which sets government participation in some companies and installations, and Law No 112 which amends some provisions of the law bearing on organization of the cotton export organizations and binds companies and installations subject to their provisions to reconcile their conditions within a maximum period of 6 months, to end by 19 January 1962.

14 August: Restriction of Ownership in Companies in which Individuals May Not Have Shares Greater Than 10,000 Pounds

Yesterday Mr Hasan 'Abbas Zaki, executive minister of economy, issued a decree restricting ownership of shares in companies subject to Law No 119 for the Year 1961 requiring that individual shares whose market value exceeds 10,000 pounds be transferred to the government. The decree requires that transactions in these companies' shares or transfer of ownership in them be in any case suspended before they are stamped by the stipulated banks in a manner making them negotiable. The ministerial decree specified nine banks which will receive declarations by holders of shares in these companies on the shares they own, accompanied by drafts of the stocks with their seal in a manner making them negotiable.

6 September: Government Bonds instead of Stocks

An official source told AL-AHRAM's correspondent that the government would issue government bonds of the category of 1 pound for the first time in order to give them to people holding shares in companies where the government has taken possession of stock in accordance with Law No 118, in order to make up the guaranteed value of the share in the possession of each stockholder.

25 September

Yesterday an official source stated that shares of companies which are not listed on the stock exchange list for the southern region cannot be traded, even if they are not subject to the latest socialist laws.

12 October: A Bill for General Organization Workers and Employees President Jamal 'Abd-al-Nasir issued a republican decree on a draft bill for general organization workers and employees yesterday. The bill requires that the minimum salary for intermediate positions be between 9 and 14 pounds a month, gradually rising to 65 pounds, and that that for higher positions be from 15 to 25 pounds a month, rising gradually to 95 pounds. Salaries for the position of director will start at 100 pounds and rise to 176, and those for the position of assistant director will start at 80 pounds and rise to 125.

20 October

The Council of State has given agreement to the draft of a republican decree exempting stockholders in all companies, installations and banks whose ownership has been transferred to the government, or companies in which the government has slaves, from taxes on the difference between the par value of the stock and their value in their new capacity as government bonds.

17 December: A Higher Council for General Organizations

President Jamal 'Abd-al-Nasir issued two republican decrees yesterday. The first establishes a higher council for general organizations, under the chairmanship of the president, with the vice presidents and ministers to which the general organizations belong as members. This council will have the power to set out the production goals of general organizations, coordinate activity in them and follow up and reduce the problems or obstacles to which they might be exposed. The second decree spells out the powers of the ministers and the responsibilities of each in achieving the goals with respect to the organizations, granting each minister the power to form a consultative committee chaired by him to help him study technical, economic, financial, organizational and other problems in a manner realizing centralization in orientation and supervision and decentralization in administration and implementation. Accompanying the first decree is an appendix reapportioning general organizations by type and specifying the companies which belong to each. The number of these organizations came to 39, with 438 companies subordinate to them and 13 ministers supervising them.

1962

3 January

Yesterday Dr 'Abd-al-Mun'im al-Qaysuni, the minister of economy, declared that transactions in the shares of companies subject to socialist laws will resume in the stock exchange in the next few weeks.

10 January: Appraisal of 155 Companies Subject to the Socialist Laws

Dr 'Abd-al-Mun'im al-Qaysuni, minister of economy, stated that the shares of companies subject to the July socialist laws whose shares or capital the committees have finished appraising will be offered on the stock market for transaction during the third week of this month. The number of companies whose shares have been appraised totals 76 in the case of those subject to Law No 119 and 41 in the case of those subject to Law No 118. The number of companies whose net assets or capital have been appraised total eight in the case of those subject to Law No 119 and 30 in the case of those subject to Law No 118. There remain only 24 companies whose appraisal the committees have not finished; of these, 21 are nationalized and in three the government is a participant in their capital.

11 January

Yesterday a republican decree was issued giving the minister of economy the power to specify the rights and commitments of the general organizations which were transferred to other organizations following the issuance of the law bearing on their reorganization.

13 February

Yesterday Dr 'Abd-al-Mun'im al-Qaysuni, the minister of economy, issued a decree appraising the shares and capital of 35 of the companies which were nationalized in July in accordance with Law No 117 for the Year 1961. Thus there remain only

14 companies whose shares or capital have not yet been appraised, 12 of which are nationalized companies and two of which are subject to Law No 119 stipulating that the value of the shares individuals own in certain companies may not exceed 10,000 pounds.

7 March

Ahmad 'Abd-al-'Aziz al-Haliji, the government's representative in the financial paper market, stated that Law No 119, which was issued as part of the group of July socialist laws, setting the ownership of each individual in a group of 132 companies at no more than 10,000 pounds, will not now prevent anyone from owning more shares than this limit in these companies.

23 March: Setting the Capital of General Organizations and Authorities

Yesterday a republican decree was issued setting the capital of general organizations and requiring that the organization capital be composed of:

1. The government's shares of capital in the companies and installations subsidiary to them.
 2. The capital of general organizations into which they are merged.
 3. The funds which the government allocates to the organization in a week.
- Mr 'Abd-al-Latif Bughdadi, the vice president and minister of the treasury, will issue a decree on the rules which are to be observed in appraising the assets constituting the capital as well as fixed rules for depreciation.

21 April: Formation of Boards of Directors of Banks and Insurance Companies

Yesterday republican decrees were issued completing appointments to major positions in companies belonging to general organizations. The decrees include the appointment of 381 chairmen and members of boards of directors of 92 banks and companies subsidiary to five general organizations, namely the Egyptian General Organization of Banks, the Egyptian General Insurance Organization, the Egyptian General Trade Organization, the Egyptian Cotton Organization and the Contracting and Construction Organization, in addition to 184 members functioning as representatives of workers and employees who have actually begun to be elected to membership in the boards of these companies. The appointments to the boards of directors of 238 companies subsidiary to 14 general organizations has thus been completed.

19 May

A republican decree has been issued amending certain provisions of Law No 153 for the year 1961 prohibiting anyone from being appointed to general authorities or organizations or their companies for an annual compensation or annual salary of 1,500 pounds or more except by republican decree.

28 October

The Companies Department is to supervise all public sector companies and joint stock companies from the financial and administrative standpoints by virtue of the new amendment to the Companies Law, and the technical apparatus of the department is to be consolidated so that it will be able to perform its task.

7 December: Issuance of a Bill on Work in Companies

Yesterday a republican decree was issued bearing on the bill on work in companies belonging to general organizations, after it had been ratified in final form by the Presidential Council. The bill has eliminated all differences which existed in treatment between employees and workers, considering them all to be workers in the company, and the board of directors will set out a list of their positions and salaries in the company within the limits of the schedule accompanying the bill. This schedule provides people working in the company below the chairman of the board of directors into 12 grades where the annual wage rises gradually, reaching a maximum of 1,800 pounds in Grade One and a maximum of 64 pounds in Grade 12; at the same time, the schedule contains periodic raises of 9 to 72 pounds.

1963

2 June: Two New Laws Organizing General Organizations and Authorities

The General Organizations Law has been issued along with another law for general authorities. The two new laws are aimed at organizing both of these two types of institution and specifying the rules setting each apart from the other in a manner leaving no room for confusion between them, now that it has become apparent, in following up on their activity, that there are many differences between them in spite of the fact that each has a public independent legal personality.

24 June: Eliminating Appointments to Work by the Day in the Public Sector

It has been decided to eliminate appointments to work by the day in all public industrial sector companies, as well as the non-industrial sector, in the general organizations, as of next 1 July.

26 June: Application of the Companies Law to Individual Installations

It has been decided to include all individual installations such as bakeries and individual mills, which have been incorporated into the public sector but have not become companies, although they are subsidiary to general organizations, in groups, so that a general company can be formed out of each group, preparatory to application of the bill on people working in companies to them.

1964

15 February: Zandu Explains Benefits of New Draft Companies Law

Mr Ahmad Zandu, minister of economy, stated that the new Companies Law, whose draft has been sent to the Council of State for formulation, came about because

practical application of the provisions of the Companies Fiscal Law issued in 1954 revealed the presence of many gaps.

These gaps became apparent after the emergence of modern economic tendencies aimed at guiding the domestic economy in a manner which will have the effect of eliminating the domination of capital and monopolies, the issuance of socialist laws, and the emergence of the public sector alongside the private sector in the realm of companies which that has necessitated.

21 May: Consultative Committees for Organizations Headed by Deputy Prime Ministers

President Jamal 'Abd-al-Nasir has issued a decree that each deputy prime minister is to form a consultative committee which he will head, with the ministers concerned with the sector and the heads of general organizations which lie within his responsibilities and powers as members. He can include a number of members who are not chairmen of boards of these organizations in this committee. This committee will be concerned with cooperating with the deputy prime minister in studying technical, economic, financial, organizational and other matters which will achieve centralism in guidance and supervision and decentralization in management and appointment in these organizations.

It is well known that the new organization of sectors has attached general organizations in a single sector to more than one ministry, and it has become necessary that these committees be concerned with the whole sector, not individual ministries.

27 June: A Central Agency To Hold Public Sector Officials Accountable

Dr Mustafa Khalil, deputy prime minister, declared that it has been decided to form technical agencies to oversee the implementation of industrial and agricultural projects and that it has been decided to establish technical agencies to export products and market them abroad. He stated that the difficulty of overseeing projects through ministerial committees has become apparent through experience.

He said that it has been decided to form a central agency to hold officials in organizations and companies accountable as of the moment the expense allowance he receives is deducted from him [sic]. He said that all second plan projects will be put up for international competitive bids to obtain the best price. He said that increased production and improvement of its type and quality are to be considered the only way to solve all problems of consumption.

1965

10 March: New Light on the Public Sector Underlined by Scientific Study

Last week the first of the scientific studies made in our country was completed. It revealed, through figures, the developments which have occurred in the conduct of individuals working in the public sector, be they workers, technicians or administrators. Important, serious facts were also discovered:

The merger and consolidation of workers within their organizations is still at the beginning of the road and there are many problems obstructing this unification and merger.

The relationship between survivors and persons supervised is not suitable in its current situation as a basis for development at any level, and it is necessary to seek to improve it.

It is necessary to review the bonuses which are paid out to workers to increase production.

It is necessary to seek new bonuses.

Next week a general conference will be held comprising all people in charge of the public sector to discuss these conclusions and create serious treatment of them.

18 March: Completion of the Study on the First Legal Organization of Public Sector Projects

The Committee on Commercial Legislation has finished preparing the new draft of the law on general companies and economic installations.

The new draft is considered a practical application of the contents of the charter regarding the limits of the public sector and the limits of the private sector.

It contains five chapters. The first chapter covers public sector projects and deals with general companies and economic installations and arbitration of public sector disputes.

It acknowledges the moral personality of the installation and the fact that its obligations are independent of those of the public personality which established the installation.

The draft introduces the notion of compulsory arbitration of public sector disputes and creates an authority for such arbitration, out of the concern that it be headed by a judiciary person and that the ordinary techniques of adjudication be observed in it in order to ensure and guarantee justice.

The draft defines the meaning of public sector companies. A general company is one in which a group of people who might be just public persons, or public and private persons both anticipate.

Private companies contain private capital only.

The draft regulates joint stock companies on the basis of general joint stock companies — that is, the framework of the general company is the one that has been adopted as a basis for studying the provisions of joint companies, since purely private joint stock companies in the context of the current socialist system are almost nonexistent or about to disappear.

The second chapter covers private sector projects which have been organized under current legislation and organized in a new manner corresponding to the current economic system since coordination has taken place among all the provisions of the draft.

The third chapter organizes the issue of transferring and merging general installations and economic companies.

The fourth chapter deals with the issue of dissolving general companies and installations.

The fifth chapter deals with punishments for violations of the provisions of the law.

1966

24 August: The Republican Decree Has Been Issued on the Public Sector Organization and Company Law

Yesterday President Jamal 'Abd-al-Nasir issued a republican decree on the new public sector general organization and companies law ratified by the National Assembly in its past session.

26 August: The New Statute for Public Sector Employees

Yesterday President Jamal 'Abd-al-Nasir issued the new statute for people working in the public sector and determines the bases for work in it in terms of attainment of increased production, encouragement of individual bonuses, protection of the rights of workers, and provision of guarantees for them. Eng Mahmud Yunus, deputy prime minister and head of the Ministerial Organization and Management Committee, held a press conference in which he discussed the new statute. He said that this statute has given consideration to:

1. Eliminating bottlenecks which have become apparent during application in the first 5-year plan and providing the resources which will result in attainment of the second plan.
2. Recommendations which the Conference on Production and Management produced, aimed at raising productive capacity and production.
3. Dealing with gaps which actual application of the draft bill on workers in the public sector issued in 1962 has revealed.

Eng Mahmud Yunus referred to new tendencies in the new statute on employees in the public sector, most prominent of which were:

1. Expansion of the powers of the chairmen of boards of directors.
2. Encouragement and development of individual bonuses.
3. Treatment of the problems of feigned illness and repeated absence.

4. Guarantees to raise and oversee the level of production.
5. Organizing the conditions of employees.
6. Protecting workers and their rights.
7. Realizing the principle of equality of opportunity.

1967

1 May: The Draft of a New Bill for the Organizations Law

A draft republican decree on the first executive bill for the general organizations and public sector companies law has been drawn up. The bill permits the board of directors of the organization to invite any person working in it and economic units subsidiary to it or any expert to attend board sessions to present data or statements which the board sees fit to request. A representative may also be invited from the Department of Auditors, who can request that his protest be recorded in the minutes of the meeting. It is also permissible to merge two or more public sector companies subordinate to more than one public person, and the capital of the company must be adequate to achieve its objectives; what is paid out from the capital upon establishment must be less than 20,000 pounds, the company must not be established unless the capital to it is subscribed in full and every subscriber must have paid up at least one quarter of the par value in cash of the stock to which he has subscribed.

1968

15 February: Restriction of Wholesale Trade to the Public Sector

It has been decided to restrict wholesale trade in seven commercial supply commodities to public sector companies alone. These commodities are tea, sugar, coffee, common cloth, frozen fish, frozen meat and cooking oil.

14 May: A Technical Agency To Follow Up on the General Statute

A new public sector economic agency is to be formed whose task will be to follow up on and evaluate its activities so that it will operate on sound economic and commercial bases. The new agency will be tantamount to a high level committee of experts and Dr 'Abd-al-'Aziz Hijazi, minister of the treasury, will take charge of forming this agency from a limited number of senior economic experts in the Ministries of Treasury, Planning and Economy, the Central Accounting Agency, the Central Agency for Mobilization and Statistics and other specialized bodies.

27 May: Companies Act Freely without Referral to Organizations

At its meeting yesterday chaired by Dr 'Aziz Sidqi, the Consultative Committee for Industry decided to give freedom to industrial companies to act on their own affairs without referring to organizations in order to achieve production and export goals.

28 May

Today the Legislative Committee will discuss the draft of a decree to set the maximum salaries of employees in the public sector at 2,000 pounds a year.

This will be applied to Exceptional and High Grades

21 October: Facilities and New Rules To Compensate Shareholders

Hasan 'Abbas Zaki, the minister of economy and foreign trade, issued a decree yesterday on rules organizing the laws on compensations related to people owning shares in the capital of companies and installations whose ownership reverted to the government in application of the socialist laws issued in 1961 and Law No 134 for the Year 1964 setting 15,000 pounds as the maximum the owner of the installation or company can hold unless the total he holds in it is less than that. The decree has been conveyed to the banks for implementation.

22 November: New Rules for Financing Public Sector Projects

The Central Accounting Agency and the Central Organization and Administration Agency have prepared recommendations on new rules for financing public sector companies. Among these are the need to carry out an economic study on new projects, raise the level of profits in reserve as a legal reserve, form a committee to study companies which suffer from a constant deficit in liquidity as a result of deficiencies in their capital formation, and contribution by the companies of 15 percent of their profits to the investment fund.

26 November: Giving the Public Sector Freedom in Financing

The Ministerial Economic Committee is discussing a new policy for the public sector to finance its general organizations and the companies belonging to it as part of the procedures adopted to realize financial and economic reform. Dr 'Abd-al-'Aziz Hijazi, minister of the treasury, stated that the new financing policy is aimed at giving the public sector freedom to disburse the financing available to it in accordance with the plan framework.

1969

17 February: Drop in the Level of Public Sector Competence

In a report, the Central Agency for Organization and Management stated that the level of administrative competence in government agencies and in most public sector companies has dropped, as a result of the poor technical level of persons performing the work and the failure of existing bills to keep up with the great development in the volume of work. This has resulted in a rise in the cost of administrative activity, imposition of big financial waste on the government budget, and especially the noneconomic exploitation of available resources in the companies.

18 February: Sale of Foreign Goods Restricted to the Public Sector

At its latest meeting, the Council of Ministers agreed to the issuance of a law prohibiting the sale of foreign goods and commodities other than through public sector companies unless they are bought from them. Otherwise, the goods will be considered smuggled and the penalties bearing on smuggling will apply to them.

4 March: The Public Sector Sells Gold

It has been decided to set aside 20 shops belonging to the public sector to sell and buy gold to consumers.

4 March: Government Arbitration Council Reviews Public Sector Disputes

A draft law has been prepared on the establishment of a government arbitration council, with a subsidiary central council in Cairo and local arbitration councils in the governorates and specific councils, to review conflicts which arise between government agencies and public sector organizations or between them and citizens if the dispute is related to the implementation of the economic plan of the government.

13 September

It has been decided to restrict wholesale trading in shoes to the public sector, as if the case followed with regard to textile trade. At the same time, it has been decided to retain retail trade in the private sector in the governorates in addition to public sector complexes.

1970

25 July: Evaluation of the Public Sector

It has been decided to form various National Assembly committees to evaluate the results of the activities of the public sector. This was stated by Dr Hijazi, minister of the treasury, before the Economic Committee.

1971

24 September: Issuance of the General Organizations and Public Sector Companies Law

Yesterday the new law was issued on the general organizations and public sector companies containing a group of new rules.

It sets the relationship between the organization and the unit on the basis that the unit is independent, with its budget and bill, and its board of directors have the full powers of codifying its activities; the role of the organization will be restricted to planning and followup but it will not intervene in executive measures.

The law prohibits recourse to the judiciary in cases of dispute between companies, or between companies and government bodies or individuals, and stipulates that the resolution of these disputes will take place by one method, which is arbitration, provided that a complete bureau be established for this purpose in the Ministry of Justice.

The law permits the president to intervene to set out a statute for a company and the persons working in it if foreign capital participates with public capital in it.

24 September: The Executive Bill of the Organizations Law

The executive bill of the General Organizations and Public Sector Companies Law requires that the boards of directors of organizations and companies seek the aid of expert workers to state the data they see fit and that the capital be adequate to achieve its goal and be paid off in full as a condition of its establishment. The capital may not be less than 20,000 pounds.

1972

6 April: Oil Wholesale Trade is Restricted to the Public Sector

Dr Fu'ad Mursi, minister of supply and internal trade, issued a decree that the private sector is to cease wholesale trading in cooking oil permanently and that trading in this commodity is to be assigned to the public sector.

25 December: Demand for a Review of Public Sector Projects

The Plan and Budget Committee under the chairmanship of Dr Ahmad Abu Isma'il, in its report on the budget, recommended the establishment of serious oversight over all public sector projects and a renewed study of these projects so that every official in the sector may feel that he is under surveillance by the people and that there are economic studies made before the establishment of any project in the sector.

1973

14 July: Study of the Financial Status of Public Sector Companies

The Plan and Budget Committee of the People's Assembly has requested of the public sector companies, which number 380, the financial data concerning each in the past 5 years in order to review their financial status and study the profits, production and labor they have realized.

24 November: An Economic Study of All Sectors and Termination of Losses in Some Companies

In their next meetings, the Council of Ministers and the Ministerial Production Committee will concentrate on the conclusions of the expanded economic studies which all ministers are to carry out in their respective sectors on companies and organizations realizing losses in their budgets or relying on the government

to meet their budgets, in order to determine the burdens which have resulted from them and to take economic measures to guarantee that these units are reconstituted and their resources are consolidated. It has been learned that the measures expected to be adopted regarding these units are:

Stimulating full operation in them.

Reviewing the status of their economics and the economics of the goods they produce.

The need to terminate these companies' losses or eliminate the deficit the government is bearing, and to have them realize a surplus to support the war resources, is one conclusion of this.

By the nature of the case, a final decision will be taken on the units which are deficient in coping with these factors.

The Production Committee will start discussing the structure of industrial production, industrial production in terms of production and exports, support for local production and the adoption of decrees which will bring this policy about.

10 December: Discussion of the Position of 10 Companies with the Ministers Responsible for Them

Yesterday the People's Assembly discussion concentrated on the need to evaluate the activities of 10 public sector companies which have realized losses, preparatory to liquidating them if it is proved that they fail to perform their work without losses, change the bills and statutes obstructing the progress of some companies, and intensify surveillance over people speculating in public sector funds.

1974

23 February: Basic Rules for Liquidating Some Companies with Losses

AL-NAWMI's economic editor has learned that the study bearing on the liquidation of money-losing companies in the public sector is about to be completed preparatory to being put into application in accordance with a number of basic rules, most important of which are:

1. That people working in these companies not be affected by the economic reform processes of liquidating or merging money-losing companies or by decisions made regarding them.
2. That a distinction be made between the economic and social goals of these companies, on grounds that profit is not the only criterion for evaluating the performance of these companies, inasmuch as there are companies or sectors to which the government pays out subsidies because it is government policy to offer such subsidies so that output may reach the people at a fixed low price and the government may defray the price differences.

3. The liquidation of certain money-losing companies does not mean selling them to any other sector, although the government may resort to this when studies show that there is no hope of correcting the economic conditions of these units.
4. The need to make it clear to the masses what the real costs of each commodity are, and what the masses are paying and what the government is paying for these commodities.
5. Planning the profit goals of the companies, so that the social burden of the government may be apparent.

23 March: A Comprehensive Review of Public Sector Losses

It has been learned that a comprehensive review will start on the losses of public sector units and that new statutes will be set forth to eliminate these losses. Preparation of a comprehensive list of back payments which have been due the government for a long time is underway. Stagnant inventories in government and public sector warehouses show that the government is owed 200 million pounds as a result of laxity in collection and that 66 million pounds are due the stipulated finance department, 59.5 million pounds are due Justice, 56.4 million pounds are due the treasury and 33.8 million pounds are due Agriculture and Agrarian Reform. It is also apparent that the backlog of commodity inventory is estimated at about 200 million pounds. This was stated in a report which Mamduh Salim, the prime minister, presented to the Council of Ministers.

6 April: Public Sector Problems

Dr Ahmad Abu Isma'il, chairman of the Plan and Budget Committee of the People's Assembly, stated that during a review of the 1973 budget the committee's attention was drawn to the fact that the surplus the public sector was expected to realize in 1973 is no greater than 40 million pounds, that is, less than 1 percent of capital. In its report the committee pointed out that this is a trivial surplus for a sector in which massive investments had been made. A number of reasons have appeared which weakened the effectiveness of the public sector units and for which management in the units was not at fault:

1. Disruptions in the financing structure, which suffers from a liquidity shortage that has resulted in the fact that long-term loans total 16 times the capital owned by some units, the effects of interest are not hidden in the results of the activities these units undertake.
2. Recourse by the public sector to the private sector to provide local or imported requirements for its production.
3. Price relations and the organizational atmosphere inside the public sector units obstruct people performing their activities.
4. The burdens of domestic acculturation which the companies are defraying.
5. The drop in investment made for replacement and renovation.

6. The existence of increased idle capacity which in 1973 came to about 232 million pounds and is stipulated to reach about 500 million pounds in 1974.

The committee has recommended that Arab and domestic capital participate in private sector companies at limited rates which will result in the employment of idle capacity.

Concerning the effect of population policy on the public sector, the report said,

1. Acceptance of Arab capital for investment has not been taken into account as far as the wage and price structure goes; there is no doubt that there are a labor force and experts whom the sector has trained that can be turned to for help in new industries, and it is necessary to expand training.
2. It is necessary to subsidize basic services and public utilities.
3. There is a need for agricultural development.
4. Current economic circumstances call for stabilization of prices to aid people with limited incomes.
5. There is a need for two important things which will pave the way for the liberalization policy. These are to reach understanding with lending countries to postpone payment of and interest on war debts, or make them payable in very long term instalments, and to contact Arab countries to have them defray their share of the war expenditures.

1 July: Public Sector Stock Offering

The economic editor of AL-NHRAM has learned that the memorandum presented by Muhammad 'Abd-al-Fattah, the minister of finance, to the Higher Economic and Political Planning Committee stipulates that if public sector companies in which the private sector now participates are to offer some shares to increase capital, the private sector should be allowed to subscribe to these shares, provided that priority be given in purchase to people working in these companies. It is widely known that the maximum subscription in company shares is 10,000 pounds.

9 July: A Comprehensive Review of Public Sector Policy

Dr 'Abd-al-'Aziz Hijazi, first deputy prime minister, declared that a comprehensive review is now being made of the policy and tasks of the public sector. This is aimed at setting forth specific goals for the sector using its capacities in basic fields of production such as war production, energy, major industries, mining, pharmaceuticals and basic services in the government.

24 July: Rules for Public Sector Transactions with Foreign Banks

AL-NHRAM's correspondent has learned that the executive regulations now being prepared for activities of foreign banks in Egypt are expected to include the

fact that it is not permitted for the public sector to deal with branches and agencies of foreign banks to be opened up in the free zones but that it is possible for those companies to deal with joint banks to be established by Egyptian-foreign capital in which the Egyptian share totals 51 percent.

5 August: Offering of New Shares to Citizens To Increase Capital of Some Public Sector Companies

AL-AHRAM's correspondent has learned that the Ministry of Finance is now studying issuance of new stocks to increase the capital of a number of companies belonging to the public sector and the government in part to the state, including, for instance, the General Porcelain and China Company, in which the government owns 35.7 percent and the rest is owned by shareholders from the private sector. The rules on whose basis the new shares will be offered to citizens have been prepared; these are:

First:

Allocation of shares for subscription by people working in the company itself. These will not exceed 10 percent. If that percentage is not entirely subscribed, the leftover portion will be put up for subscription by the organization or for public subscription and priority will be given to former holders of company capital.

Second:

The value of the total shares, old or new, owned by a natural person, may not exceed 5,000 pounds.

Third:

The increase in the volume of capital of every company and the procedure to be followed in this increase will be determined in such a way that the prices of the new stock issuance will be set in their light for announcement to the citizens and opening of subscription to them.

1975

7 April: Size of the Public Sector

The capital in the public sector is 7 billion pounds and it provides 55 percent of the gross national product. It pays out annual wages estimated at about 343 million pounds and produces 458 commodities. It is this which has established the base of heavy and intermediate industries, and this is the body which implements the policy of full employment of manpower.

1 May: Development of Public Sector Companies

Mamdouh Salim has requested a study on the development of the public sector and the experiment of giving ownership in specific portions of its companies to workers and individuals. He stressed that the government guarantees that freedom will be

given to productive units to deal with foreign banking bodies and markets, if only through foreign trade companies, whenever such freedom will realize the goals of production.

12 June: New Bases for Public Sector Development

At its meeting yesterday under the chairmanship of Mr Mamduh Salim, the Higher Planning Committee agreed to the new bases by which the public sector and the main production and service units in the country will be developed, in order to achieve the policy of decentralization and give these units freedom of movement.

According to the comprehensive memorandum prepared by the prime minister and agreed to by the Higher Planning Committee at a meeting which lasted 4 hours yesterday, the new development will take place on the following bases:

First:

Each of these units will be fully responsible for management and the attainment of objectives, and its board of directors will have full powers in matters of management, finance, production and marketing.

Second:

Each unit will have its own budget separate from the general budget of the state and will have its own responsibilities for developing its local and foreign resources.

Third:

There will be a transitional period not to exceed 3 years in the case of units subsidized by the state, these subsidies will stop after that time, the unit will become totally responsible for arranging its financial resources and it will be subject to a developed tax system which will spell out its contribution to the financing of general expenditures. Every unit will be assigned to offer a specific surplus to finance the state budget during the coming 3 years which will be calculated on the basis of the average for public utilities and their subsidization will continue.

Fourth:

Corresponding or complementary units, or units operating in connected fields in one sector, will have a higher council to be headed by the competent minister. The council will be the authority for the adoption of final decisions, provided that the current higher councils be liquidated.

14 June: Commencement of Reorganization of Authorities, Organizations and Companies

AL-NURU's correspondent has learned that the ministerial committee formed to set forth a work plan to lay the bases bearing on the reorganization of public sector organizations, authorities and companies will start its work of defining actual

conditions in these units with the goal of tabulating positive features to be retained and negative ones to be eliminated in light of the memorandum prepared by Mr Mamduh Salim, the prime minister, regarding administrative and financial reform. The committee will meet today under the chairmanship of Dr Hafiz Ghanim, deputy prime minister, to set out its action plan for carrying out the bases of the reform, principal of which are:

1. Defining the obstacles clashing with their prosperity in the form of sparse resources and liquidity, lack of administrative and leadership competence, and social and labor considerations bearing on adding to labor or imposing prices for products.
2. Setting out a starting point in tabulating units on which the application of new bases for financial and administrative reform will start and choosing the "best" units, in comparison with others, in which to start the reform so that that will be a model for application in other units.
3. The reform will include a modification of legislation and bills preventing these units from advancing in a manner consonant with the liberalization policy, on grounds that it is not possible to realize real administrative reform in the services or production sector without correcting the economic conditions of units in these sectors.
4. The implementation of this policy will be followed by a solution to the problem of the loans in debtor units, provision of the cash liquidity necessary for them, and replacement of some leaders whose lack of competence has been proved by leaders with higher competence.

28 June: Elimination of General Organizations and Establishment of Higher Councils To Supervise Companies

AL-AHRAM's correspondent has learned that the Higher Planning Committee agreed at its last meeting to the report of the committee drawn up under the chairmanship of Dr Hafiz Ghanim, the deputy prime minister, setting forth the rules for implementation of the memorandum of Mr Mamduh Salim, the prime minister, organizing the public sector and productive units by eliminating general organizations which do not engage in productive activity and establishing a higher council for the sector comprising the activity of groups of companies under the chairmanship of the competent ministers, with the heads of the boards of these companies, as members. The council will have the power to set out the general plan for the sector, giving the companies freedom of implementation to achieve the goals set out for them while stiffening surveillance inside the company itself through the supervision of representatives of public ownership in them. It has been decided that general organizations which do engage in productive activities, such as hotels, tourism and aviation, will be turned into companies having full independence and responsibility for achieving their objectives.

7 July: Free Bank Transactions for the Public and Private Sector

Yesterday President Anwar al-Sadat issued a republican decree giving the public and private sector the freedom to deal with all banks, provided that the

Egyptian Real Estate Bank be concerned with development, construction and housing affairs and provision of banking services for them and that the Egyptian National Bank continue to perform investment certificate services.

19 July: Council of Ministers Discusses Final Conception of Public Sector Development

At its next meeting Mr Mamduh Salim, the prime minister, will present the Council of Ministers with the new conception of public sector development, which has produced a new picture that becomes clear through the following general lines:

Categorization of production and service units by sectors, wherein each sector will contain all the companies, organizations and general authorities operating in similar or integrated fields or activities. Each sector will have a higher council consisting of the heads of these companies and authorities, and every company or authority representing an independent unit in the sector.

3 August: Comprehensive Reorganization of Productive Units Sought by Council of Ministers

At its meeting next Wednesday, the Council of Ministers will discuss the recommendations presented by 16 ministries on the comprehensive reorganization of productive units in a manner guaranteeing that their production will take off and they will eliminate all the obstacles which are standing in the way of takeoff. Among the most important proposals are:

1. Granting the various productive units the freedom to dispose of their surplus labor while regulating the unemployment aid the worker obtains until he gets another job. No unit will be compelled to appoint anyone through Manpower, and as long as the government remains committed to appointing all graduates, these appointments will be to ministries and authorities, with an expanded orientation of surplus labor toward participation in projects or ownership of agricultural land.
2. Compelling Egyptians working in Arab and African countries to pay a percentage of their salaries in foreign currency without compensation to the units in which they had been working in local currency in payment for the expertise they acquired and the money their units lost through their departure.
3. Granting freedom of importation to units on condition that the cash share of each be set by a sound system of measurement.

13 September

The president ratifies the law abrogating general organizations.

1 November

Formation of committees chaired by the competent ministers to liquidate the activities of general organizations next December.

1976

16 January

Three pounds per meter, in dollars, as rent from foreign investors for the apartments of abrogated organizations.

13 February

It has been decided to retain workers transferred from the abrogated public organizations along with the allowances and the average bonuses they had been receiving from their organization budget in 1974 and 1975 in a personal capacity.

1 March: Issuance of the Executive Public Sector Bill Statute

President Anwar al-Sadat issued a republican decree on the executive bill of the new Public Sector Statute which is aimed at resolving the liquidity shortage many companies are suffering from by permitting them to offer part of their shares for public subscription so that the volume of the company's capital can be in balance with the nature and size of its economic activity.

19 April: Abrogation of 15 Percent Ratio as Maximum for Distribution of Profits

Mr Mamduh Salim, chairman of the board of directors, issued two decrees, the first calling for elimination of the 15 percent ratio as a maximum for the distribution of profits to shareholders in public sector companies, on grounds that this ratio does not encourage investment of funds in productive projects and that setting the profits disbursed to shareholders is to be considered confiscation of surplus profits.

12 May: Financial Incentives for People Working in Companies

Application of the new statute paying out financial bonuses to companies which have achieved results exceeding the objectives which had been stipulated for them will start for the first time next month.

21 May: Freedom for Public Sector Companies To Import Goods

Public sector companies are to be given freedom to import goods of various types by the private sector. The 20 million pounds set aside for that will be renewable.

22 May: Comprehensive Reform of the Public Sector

The Ministry of Finance has started a comprehensive study of the financial conditions of public sector companies. The objective in this is to set out a complete system which will provide the sector with the economic and financial wherewithal to take off and complement the objectives of the law freeing public sector companies and the resolutions recently made regarding pursuit of the system of management through objectives.

26 June: Change in Price Policy and Profit Distribution Rules

AL-NIRAM's correspondent has learned that a group of general decrees will be declared next month aimed at solving the problems of public sector units and freeing them from red tape, restrictions and bills so that they may take off in order to implement the national plan and apply the system of management through objectives and accountability for results; the new decrees will revolve around three major approaches:

1. A change in the method and policy of distribution of profits realized and promulgation of new pricing policy regulations.
2. An absolute lack of orientation toward the liquidation of money-losing companies -- indeed an effort to support and develop them and provide the allocations necessary to solve their problems.
3. A review of labor laws and bills and the system of distribution of graduates to production sectors specifically.

28 June: 50 Million Pounds in Hard Currency To Finance Public Sector Projects through Arab Companies

Fifty million pounds in foreign currency have been allocated to provide the financing necessary for public sector companies to pay their shares of the establishment of joint projects with Arab and foreign banks and companies.

9 July

The prime minister declared that the financial burdens the companies incur through surplus labor will be set aside and considered a national burden. The companies which have surplus labor will be held accountable once this national burden is removed.

8 October: An Authority Will Take Charge of Organizing Government Relations with the Public Sector

The Ministry of Finance has submitted a draft republican decree establishing an authority for the system of public funds for improvement to the Ministerial Production Committee. This authority will be a center for fiscal responsibility and accountability for the government's relations with the companies. One of its most important fields of competence will be to enumerate the government's rights and commitments bearing on the public sector and determine the net profits and losses of public property and its financial status in the context of the totality of productive sectors in accordance with the commercial accounting system. The draft includes the funds of abrogated organizations, the resources of financial obligations to the public capital, the powers of the authorities and the board of directors of the authority.

1977

23 May: Provision of Financial Liquidity for Public Sector Companies

At its meeting yesterday under the chairmanship of Dr 'Abd-al-Mun'im al-Qaysuni, the deputy prime minister for financial and economic affairs, the economic group discussed measures for ridding Ministry of Industry public sector companies of the debts they owe to the banking system and means to provide the cash liquidity these companies require, lest they resort to expanded borrowing from the banking sector and bear interest on loans of 8 percent a year.

23 May: Ridding the Public Sector of Its Debts

The economic editor of AL-NIRAM has learned that a number of important regulations will be set forth to rid the public sector of its debts by settling its financial positions, which, on many occasions, lead to justified increased production costs and to a deficiency in productivity, with the goal of moving production forward and increasing the use of idle capacity. The discussions made clear that:

1. The public sector has a debt of about 800 million pounds to the banking system; of this, 100 million pounds were incurred in the past year alone.
2. The public sector is not alone responsible for the accumulation of these debts over the past 5 years.
3. The public sector debts for the most part represent excessive action they have taken over the years; at the same time, there are debts which have not been settled between government agencies.

The basic regulations for ridding the public sector [of these debts] revolve around:

First, presenting similar problems of productive units subsidiary to the ministries to the council and approvals of additional allocations.

Second, approving additional allocations which will give some units the liquidity to enable them to overcome obstacles.

Third, studying lowering the interest rates with which the banks deal with the public sector.

12 July: New Shares for Subscription in Some Public Sector Companies

The Ministerial Production Committee has agreed to the issuance of new shares for subscription in some public sector companies with the objective of directing domestic savings to war investment.

23 July

It has been decided that shares in 35 public sector companies will be set forth for subscription by citizens in foreign or local currency, with priority in the purchase of shares given to people working in these companies.

13 September

The economic group has agreed to have the public sector concentrate its efforts on implementation of the industrial projects which come close to the operating limits or a large percentage of whose investments has been written off.

3 November: Modification of Public Sector Law

The Ministry of Finance has prepared a draft law to introduce certain modifications into the Public Sector Law prior to presenting it to the People's Assembly. Among these modifications is the fact that any company will be considered a "public sector company" in which one or more public persons will participate with a ratio of no less than 51 percent of the capital.

17 December: Transfer of 17 Authorities into Companies

AL-AHRAM's economic editor has learned that the prime minister is studying a report to correct the conditions of 95 general authorities, of which 38 are general economic authorities and 57 are general service authorities. This will include:

1. Transfer of 17 general authorities engaged in the production of goods and services generating internal revenues into general companies.
2. Keeping 36 general authorities involved in the administration of utilities where it would be difficult to make the system of companies succeed.
3. Eliminating 42 general authorities which do not engage in economic or service activities and are to be separated from the agencies of the ministries supervising them, and transferring their authorities or merging them into the requirements of ministries on grounds that they are central departments.

1978

2 February: Public Sector Information Center

An information center for the public sector is to be established in the Council of Ministers.

7 March: 430 Million Pounds To Support Public Sector

Four hundred thirty million pounds are to be allocated to finance public sector projects for which the investments will total 850 million. These sums include 300 million pounds to make up deficits in the investments of some public sector units, 50 million to provide financial liquidity for these units, and 80 million in additional aid to subsidize production.

24 May

At its first meeting, the Higher Planning Committee agreed in principle to the draft General Authorities Law and the proposed modifications to the Public Sector Companies Law.

13 June

The People's Assembly Economic Committee gave its agreement yesterday to some provisions bearing on the regulation of public sector company participation in the establishment or capital of other companies and evaluation of the shares in assets and funds owned by the government.

3 August: A National Investment Bank

Yesterday the Ministry of Planning submitted to the Council of State a draft decree establishing a general authority to be called the national investment bank which will have a legal personality and independent budget and will be subordinate to the minister of planning. Ownership in the capital of the bank will be restricted to the government and public sector companies.

25 October: Shares Worth 52 Million Pounds To Be Offered for Subscription in 1979

The draft general budget for next year, 1979, includes the offering of some public sector company stocks for subscription. The value of these shares will total about 50 million pounds. Priority in subscription will go to people working in these companies, as part of the government's plan to support and stabilize the public sector.

12 November: Draft Law Eliminating Government Dominance over the Public Sector

AL-AHRAM's economic editor has learned that Dr Mustafa Khalil, the prime minister, will present the National Party Parliamentary Committee with the draft of a law which for the first time will set out a number of new bases and principles which can be applied to state public sector companies, especially as regards elimination of government dominance over various agencies and participation by the ministers concerned and the heads of People's Assembly committees in general assemblies to realize government and assembly surveillance over the facility.

22 November: Losses of Some Companies

Twenty-seven public sector companies realized losses of 36.8 million pounds last year. Some of these companies faced losses for the first time and the losses of some were greater than their losses for last year. Twelve companies realized losses over the past 3 years, eight realized losses in the past 2 years, and seven companies realized losses in 1977 alone.

1979

14 February: Shares of Five Companies Offered for Subscription

Shares worth 50 million pounds in five public sector companies are to be offered for subscription, representing an increase in their capital to finance expansions and new projects. The offering of the first group of these shares, valued at 16,989,000 pounds, in the National Cement Production Company, will start tomorrow, raising its capital to 20 million pounds. That was stated by Dr 'Ali Lutfi.

5 April: Combining Public Sector Units in Economic Companies

The National Party Industrial Committee, under the chairmanship of Dr Mustafa Khalil, has started to discuss the report bearing on public sector development. This includes studies on the basic principles for developing the public sector, its organizational form, the relationship of holding companies to government agencies, and development of general economic policy and stages of implementation.

15 April: Combining Public Sector Units in Economic Companies

The National Party Industrial Committee has started discussing a report on the development of the public sector. This includes studies on basic principles for developing it, the organizational form for it, the relationship of holding companies to government agencies and the development of general economic policies and implementation stages.

5 June: Full Freedom for The Public Sector in Administering Its Affairs without Government Intervention

Dr Mustafa Khalil, the prime minister, declared that the government will give the public sector full freedom to manage itself by itself in the context of a framework to be set out by the government, which will not enter into its affairs, on grounds that the public sector is one of the basic foundations for progress in Egypt, the incentive for the development process, and can help other foundations if it properly attracts private sector savings to help it.

1 July: 126.1 Million Pounds the State's Share of Public Sector Profits

Dr 'Ali Lutfi, the minister of finance, declared that the government's share of public sector unit profits in the 1978 budget came to 126.1 million pounds.

11887

CSO: 4802

THE PUBLIC SECTOR

PANEL HEATEDLY DISCUSSES SECTOR'S FUTURE

Cairo AL-NIHAM AL-IQTISADI in Arabic 10 Nov 80 pp 20-31

[Article by Mustafa Imam: "Development of Public Sector"]

[Text] No one in Egypt yet knows how the public sector will develop and what new legal form will be applied, because the government has not yet announced a clear policy toward this development. Nonetheless, we are surprised to see committees being formed, committees being dissolved and a number of draft laws which are alien to one another and intellectually contradictory. The ordinary citizen discovers that the legislative scope of the public sector in the course of a few months has been turned into a circus lacking balance!

Perhaps the persons most truthfully expressing the anxiety the public sector is going through today were the officials and employees of this sector, in the course of the lengthy discourse which they held on the coming philosophy of public sector development. A group of National Institute of Higher Management graduates took over the organization and administration of this dialogue. In many of its manifestations, this discourse became a scream of anger against laws and bills restricting the public sector and afflicting it with paralysis and against the drafts of new laws which have been presented. There are four in number now, but are crystallized in two different approaches. The first of these approaches proposed combining companies into holding units to which companies will be joined according to their type of production, and there is the conglomerate (textile company, a bank, an insurance company), or a geographic combination. This approach, in spite of differences in details, is embraced by the National Party Plan and Budget Committee paper and the draft law of the committee drawn up by the deputy prime minister for economic affairs, which includes among its members the governor of the Central Bank and the head of the Accounting Agency. There is the draft law prepared by the Financial Paper Authority, whose details have not yet been announced. The second approach toward development recommends that draft laws be put into effect in accordance with the type of sector. This approach has been embodied in the initiative of the minister of industry in preparing a draft law on "encouraging domestic capital investment in national development projects."

The Angry Discourse

The dialogue which took place on these two approaches caused many issues on public sector development on policy and the platform of economic development to burst forth. It also unleashed a flood of anger which did not even subside at the luncheon table after two discussion sessions which lasted more than 5 hours.

The stage for the angry discourse was the Amriah Lounge in the Hilton Hotel. AL-ABU AL-IQTISADI was there, observing and recording only.

The First Spectacle

In this spectacle the discourse centered on the notion of holding companies, basically concentrating on the National Party paper.

Dr Wajih Shindi, chairman of the National Party Plan and Budget Committee, talked about the paper the party had prepared:

"What we are proposing in order to develop the public sector is greater freedom for companies, attainment of a high level of enthusiasm, and a change in the current wage, production and pricing policy. These policies, in the form in which they are applied now, are to be considered obstacles in the way of public sector takeoff. As regards pricing, it is necessary that every company be linked to a sound economic basis and that its prices reflect real costs. As regards subsidies, the government buys a final product from the company and sells it to the consumer at the price it considers appropriate, defraying the difference. As to wage policy, it is necessary to set a minimum wage through the government, which will be enforced through a law agreed to by the People's Assembly. Maximum wages should be set by the holding company.

It should be left to the company board of directors to set wage levels between these two limits in accordance with the wage and salary scale it has declared. Thus we will do away with the problem of establishing a pattern of wages.

"It is recommended that companies be combined into holding units horizontally by type of production, into conglomerates (a textile company with an insurance company, and so forth) or into geographic combinations; that the role of the ministries be diminished and restricted to promulgating general policies and following up on activity; and that a higher development council be established, whose members we recommend be apportioned to three sections — the first containing ministers in accordance with their functions, the second head of boards of directors of subordinate holding companies, and lastly people with expertise in the field of company specialization in the form of university professors, experts and representatives of the central agency.

Holding Companies Are To Be Rejected!

Dr Faruq Jaranah, head of the Egyptian Plastic and Electricity Company and head of the local council of the Governorate of Alexandria:

"I wonder why we are always at unsuitable times issuing legislation which does not respond to real actual needs. If legislation must be issued, it is necessary that it be issued at the requisite time, not some time after it, when it becomes unnecessary. The public sector has been suffering from this approach in past years. The current legislation recommending the establishment of holding companies and a higher development council is to be rejected because it will represent new restrictions on companies and the government stamp will show clearly on the companies' policies. At this stage what is needed is to

remove the government grip from the public sector permanently. One should content oneself with being accountable for results at general assemblies, so that we can rid ourselves of the sovereign orders and decrees which are imposed by ministers even on executive matters related to a person's travel — so that they have started suffering from 'the minister's complex,' the way we once suffered from the 'pasha complex.' In my notion, holding units may become a picture of the public sector in the future, but now, I am crying out: Give us the freedom to set out the various policies to make the companies take off. We are able to do so without holding units or the like."

Guarantees of Independence

Ahmad Fu'ad, chairman of the committee and head of the Islamic Investment Bank: "It is now necessary to provide all guarantees to achieve independence for the companies and liberate them from the sovereign decrees which are imposed and might not take economic considerations into account, as a result of which the companies register losses."

Raja'i al-Hadi, undersecretary of industry: "I demand that the companies be liberated from the grip of the ministries and that the ministry play a sovereign role in planning and followup. I would prefer that the Higher Development Council be directly subordinate to the president."

Dr Abu-al-Sa'ud al-Sawdah, head of the investment section of the Egypt Insurance Company: "There is no need for holding companies. To develop the public sector, it is enough to resolve the issues pending currently, separate ownership and management and enact the old bills giving greater powers to higher leaders with serious accountability and freedom to set forth wage, production and pricing policy. It seems that the government is afraid that the public sector will develop and slip out of its hands. However, I say there is no reason for fear. France's experience with the public sector since 1944 has been successful. The government owns and does not manage; rather, it oversees and holds people to account through the general assembly once or twice a year. Why don't we do that?"

The Second Spectacle

The dialogue was focused basically on the minister of industry's law encouraging domestic capital to invest in national projects.

'Abdallah Salim, head of the United Textile Trade Company: "The draft which has been presented will give the minister of industry the powers of many ministries. It is not clear that it will just be applied to the industrial public sector, and it gives the minister, then the Council of Ministers, the right to set out the company charter."

Raja'i al-Hadi:

"I believe that the draft just applies to public sector industrial companies." Dr 'Abd-al-Mun'im Khazbak, chairman of the Republic Pharmaceuticals Company and People's Assembly member: "In my notion, the draft applies to the public industrial sector since, if there is an industrial company which is not subsidiary to the Ministry of Industry, this draft will apply to it."

Laws for the Sectors

'Abdallah Salim: "That is not clear in the draft either. Nonetheless, does the issuance of a special law on industrial companies mean that the sector has the right to have a special law issued for itself?"

Mustafa Kamil, undersecretary in the Central Accounting Agency:

"The philosophy of this draft is not clear. It also raises a number of questions on definition of a public sector company, and there is discrimination between public sector capital and private capital."

Ahmad Fu'ad: "There also are questions which need clear answers as to who will promote the public sector drafts. Who will guarantee that the extra revenues will come to 1 percent above the interest rate? Will the government do this? That is not clear in the draft presented. Will this law apply to two or more public sector companies which have been merged into one company? We would like the first undersecretary of industry to answer these questions."

Raja'i al-Hadi: "I am here. I am not representing the Ministry of Industry or authorized to respond to the questions. Rather, I am here in the capacity of a member of the group, to express my opinion."

Dr Abu-al-Sa'ud al-Sawdah: "It is to be noted that many articles in the minister of industry's draft have been taken from the Arab and Foreign Investment Law. So the question is, why the new law, as long as we have one at hand? If we need new amendments let us add them to the existing Investment Law. It is not necessary that the minister of industry supervise these companies. There is an investment authority which carries out coordination and has all the powers and rejects or accepts all projects. This authority can be subsidiary to the Ministry of Planning to guarantee that the investment projects are coordinated with the government plans."

Hilmi 'Atiyah of the Egypt International Company:

"The draft includes tax and customs benefits for new projects. I believe that there is no need for it to include them. They could be added to the amendments which are now being made to the customs and tax laws."

A Trick

Dr Faruq Jaranah: "I believe that the minister of industry draft is a new trick for imposing government dominance over the public sector. Therefore it is to be rejected, and I doubt that domestic capital will volunteer to take part in public sector companies following the terrible psychological campaign to which this sector has been exposed and in whose success the people have lost confidence."

One Law

'Ali Idris, head of the Otis elevator company: "It would be better to have the draft of a single law for each business sector instead of more than one law."

Fu'ad Husayn, head of the Financial Market Authority:

"Really, it is necessary that the investment of money in Egypt be subject to a single law.

A Voice from Afar

"However, the Financial Market Authority has prepared the draft of a public sector law and the draft of another law for joint stock companies. So where is the coordination and the clarity of vision?"

The Requisite Coordination

Fu'ad Husayn: "I admit that there is no coordination among projects which have been drawn up to develop the public sector but that in fact they harbor strange contradictions. It was my view from the time implementation of the draft single law started. In the first chapter, it contains the public sector, in the second chapter the private sector. However, the notion was rejected, and it was requested that two separate drafts be put into effect, the first one for the public sector, the second for the private sector. Now they are requesting preparation of the draft of a single law (I am astonished myself!)."

There was laughter among the people present, and Fu'ad went on:

"I believe that in order for it to be possible to apply the minister of industry's draft it will be necessary to abrogate Article 10 of Law 111 for the Year 1975, which stipulates that the public funds' share of public sector projects is to be kept at current percentages. With this stipulation it will be out of the question to form new companies with the public sector, except by eliminating the article or the whole law!

"There are also issues which the draft has not addressed itself to, such as its definition of the notion of a public sector company. Will the law currently governing the public sector be applied to the new companies, especially with respect to the representation of workers in the board of directors and their share of the profits, appointment of the chairman of the board, the authorities of the board of directors in matters of punishment and reward, penalties, and wage, production and pricing policy? Some of these matters are politically sensitive and they must be faced and resolved with a realistic view. Otherwise we will fall into 'your place is secret,' the public sector will not be developed, and it will collapse in our hands!"

Joint Stock Companies

Eng Muhammad al-Abyari, chairman of the Rakta Company:

"The draft does not specify whether it will be applied to joint stock companies in the public sector. It ought to be applied to them. Also, if two or more public sector companies are merged, will the law be applied to them? Also, if the idea of holding companies is applied, will the new companies fall under the holding companies? In my opinion, an answer to the questions which have been raised is necessary in order to determine the philosophy for developing the public sector."

Gradual Development

Dr Hasan Ibrahim, manager of the Training Department of the National Management Development Institute: "I believe that domestic capital cannot take the gamble of investing in companies which it believes are losing money. Therefore it is necessary to develop these companies first of all and in order for development to occur it is necessary clearly to define the philosophy of the public sector and its role in development, liberate the companies from all restrictions obstructing their takeoff, give them complete freedom to determine labor, wage, production and pricing policies, then define the transitional period in which they can prove their success or failure, which could be from 3 to 5 years. After that, they can be offered to domestic capital for investment."

Reform First of All

Dr Hasan Husni, professor in the National Management Development Institute: "The current financial conditions of public sector companies will never encourage domestic capital investment. It has been observed that the withdrawal accounts are greater than the ones outstanding. What is necessary at this stage is not the issuance of new laws but the financial and economic reform of public sector companies."

"Nonetheless, the minister of industry's draft does not state how the additional investment revenue of 1 percent is to be defined. Will it for example be paid out in accordance with gross fixed assets or gross investment assets? There is also an important question: can this revenue represent an adequate risk return persuading the investor to participate? Also, how can we guarantee that this revenue is achieved, since it is well known that there are companies which might not realize profits during their initial period of establishment?"

Clarity

Dr Hasan Yasin, director of the National Management Training Institute: "From the discussions, it is clear that government policies toward public sector development projects are unclear. It is necessary that these policies be made clear so that people may have confidence in development approaches and agree to invest, with confidence."

11887

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THE PUBLIC SECTOR

TOP INDUSTRY POLICYMAKERS DISCUSS SECTOR ROLE

Cairo AL-NHAW AL-IQTISADI in Arabic 10 Nov 80 pp 32-34

[Article by Mu'tasim Rashid: "Public Sector Deals with Disruption in Productive Structure"]

[Text] It is necessary for industry to be transformed from the industry of authorities to the industry of society; otherwise, domestic industry will deteriorate. So requests Eng Taha Zaki, minister of industry and mineral resources, and this is perhaps what has impelled him to present the draft of a law to develop the public industrial sector which is still the subject of debate, although the minister involved stresses that this law will give domestic industry a chance to become linked to society by giving domestic capital an opportunity to share in domestic industry. More accurately, as the minister says, this law will guarantee an internal liberalization toward participation in the real development of Egyptian society. Eng Taha Zaki stresses that the public sector's role in the field of development will continue to be a leading and pioneering one, as the draft of the new bill stresses, along with service, protection and respect for the consumer.

This was the starting point of the conversation, which had been inspired by National Party Industry and Energy Committee discussions and discussions in various committees of the general national conference of the National Democratic Party.

Dr Muhammad Fajj-al-Nur, undersecretary of planning, says,

"The issue of public sector development has become an extremely urgent one, especially since the regional problem in Egypt is suffering from a state of compound disruption. However, we are still intending to develop and we must adopt a wary position; otherwise, we will become habituated for years to talking about redeveloping the public sector in a manner serving development requirements." Dr Fajj-al-Nur warns that the holding companies being discussed now might be transformed into one of the modes whose failure has been proved.

The undersecretary of planning adds that it is necessary that the treatment of the issue of the public sector be at a high level, on grounds that that is the main pillar of development, especially since there are some projects in which the private sector refrains from participating. The undersecretary recommends that the public sector assume the pioneering role in modifying existing disturbances

in the productive structure of the state, by establishing public sector projects in locales where we need them, so that they can be a nucleus of development, especially since the government's latitude in selecting sites for public sector projects is great.

Dr Muhammad Fajj-al-Nur supports the principle of separating ownership from management and says that this is in the interest of projects, while stressing, "One aspect of the basic economic profitability of any project — and our notion of profitability must comprehend many subjects — perhaps might be the modification of the existing disruptions in the productive structure of the state, because the modification of disruptions means more abundance production."

The undersecretary says, "Talking about the public sector and its projects requires of necessity referring to private sector projects, if only hastily, especially since some people believe that private projects are not subject to rules governing them. I would like to stress that even in countries which adopt the system of endorsed planning, there are rules and stipulated limits on private projects, so that they will ultimately serve the demands of regional development and consequently national development."

Dr 'Ali al-Silmi, director of the Center for Development Research and Technological Planning, considers that the development recommendations set forth for the public sector revolve about, but do not transcend one issue; "After 20 years of public sector experience, we should have reached the maturity which would have allowed us to eliminate the labyrinths we are wandering around in now."

The problems of the public sector are well known to everyone, as Dr al-Silmi says, and perhaps the most important of them are:

The imbalance in the financing structures of public sector companies.

The increase in labor.

Problems of a shortage of liquidity which prevents companies from implementing the plans assigned to them.

The accumulation of indebtedness and the interconnection of debts between sector companies and between these companies and the government.

For example, the contracting sector is owed 200 million pounds by the government but has not collected them.

As a result of the above reasons, withdrawals have exceeded assets from the Central Bank, and that has led to a rise in costs.

Perhaps the most important obstacle is embodied in the political decisions which sometimes enter into the course of public sector projects, imposing burdens in excess of their powers on them.

"These are the problems of the public sector, and they are well known to all," as al-Silmi says. "Consequently, the remedy for which we are seeking an appropriate formula must be of the same type as the problem. We have had enough

revolving around the real situation without seriously trying to penetrate the problem. "Today we must seek the optimum solution to the development of the public sector, on grounds that that is the fundamental basis for development in the country. Without the public sector, the private sector will continue to be deficient in performing the requirements of development which the country needs, because private projects generally select projects with a rapid profitable return and generally abstain from participating in strategic projects with long-term profit yields. Therefore the draft laws set forth today to develop the public sector must objectively remedy the well known problems and consequently the public sector will be able to play the role that has been assigned to it in development."

Dr Rashad al-Sifati, undersecretary of planning, goes on to say, "The issue of the public sector has become an urgent one which is asserting itself, especially since the country is in most pressing need for high development rates at a time when the Egyptian economy is suffering from an obvious imbalance in its productive structure, and this raises an important question: the extent to which commitment to a national plan can guarantee the attainment of its objectives, by dealing with the disruptions the domestic economy is suffering from or in pushing forward the wheels of development at appropriate speed."

Dr al-Sifati says, "It is to be taken for granted that there is more than one way to realize commitment to the plan set forth, aside from considerations of legal commitment, which rarely is made in the desired manner. Among these ways are the direct ones, such as having the government, its agencies or the public sector directly implement all or some plan projects. Among these methods are indirect ones, by which we mean those that occur through the appropriate economic, financial and social policies which make people performing different facets of economic activity agree to refrain from turning toward specific activities in a manner serving the issue of commitment to the goals of the plan."

What there is no doubt about is that whatever the effectiveness of the indirect means and policies in bringing about the plan projects might be, as Dr al-Sifati says, they will not guarantee attainment of the results and goals of the plan in the way in which direct implementation of plan projects by the public sector can guarantee them. Consequently, there is no dispute that the public sector should implement infrastructure and public utility projects as well as engaging in producing strategic commodities which society considers it necessary to provide in the appropriate types and volumes and at the suitable time, without allowing circumstances outside the will of the society to govern these factors. Here one must agree on what is considered strategic and what is considered non-strategic, not just as regards the commodity or the producer but also as regards the nature of the activity, such as domestic or foreign distribution or marketing activities.

As regards other productive and service projects — Dr al-Sifati continues — profit considerations play a basic role, since one can say that such projects are considered a good field for the public sector to enter alongside the private sector, in order to achieve a useful appropriate degree of competition between the two sectors, raising the productive competence of both — on condition that the appropriate conditions exist to make such competition set forth from common ground and corresponding circumstances in order to achieve the principle of equality of opportunity for the two sectors.

In general, the issue of the public sector has presented itself today for debate for the sake of attainment of the optimum solution and attainment of the optimum way for the public sector to contribute its pioneering role to the development process, on grounds that it is the fundamental base of the Egyptian economy. It still is the issue raised for debate — how can we develop the public sector?

Not the Best Solution

Dr Tahir Amin, appointed member of the board of directors of the Bank of Commerce and Development, says Domestic capital participation in public sector industrial companies is the optimum solution to the problems of the public sector, but the issue is related to the style of management and the need to separate management from ownership. Although numerous modifications have been made in the public sector since its establishment in the late fifties, and these modifications have now produced palpable positive results from general organizations to technical secretariats and holding companies, the mere entry of the private sector into public sector ownership will not eliminate all the problems. Rather, it is necessary that there be decisive, rapid intervention on the part of the government to solve some problems, among the most important of which are settlement of indebtedness among economic units and appraisal of the capital structures of the companies. If we succeed in setting out an appropriate remedy and liberate the public sector from intervention by the competent ministries, one can then say that the suitable climate might be provided to make it possible to manage the public sector by private sector methods."

Dr Tahir Amin adds, "As regards the principle of guaranteeing private sector shareholders profits 1 percent greater than the prevailing interest rate, this is relevant from the theoretical standpoint and was used in Egypt under the title 'preferred stock' for which a specific profit was guaranteed regardless of the results of the company's activities. However, in all cases this percentage was limited, and after that the bearers of the preferred stock participated with the other stockholders in all other distributions to stockholders." If the goal is to attract savings from some persons and direct them to participation in public sector companies, instead of investing them in deposits and the like, this is not an appropriate solution, as Dr Tahir Amin says, since even assuming a rate of profit which is more than 1 percent above the prevailing interest rate, these distributions will still be subject to a transfer value tax of more than 40 percent.

If the goal is to spread confidence among private sector shareholders by guaranteeing that the sector receives a revenue equal to the interest rates it now receives on deposits, the situation will require that the return on shares rise not less than 5 percent over the interest rate prevailing in the market.

11887

CSO: 4802

THE PUBLIC SECTOR

DOMESTIC INDUSTRY BALANCE SHEETS FOR LAST YEAR REVIEWED

Cairo AL-NIRAM AL-IQTISADI in Arabic 12 Jan 81 pp 22, 23

[Article by Jamal Zayidah: "Egyptian Industry in the Balance of the People's Assembly"]

[Text] The issue of the public sector recently went into the People's Assembly chambers.

The assembly's Committee on Industry started to study the situation in 133 industrial firms in the light of Central Accounting Agency reports whose purpose was to review the status of profit-making and losing companies and to clarify the reasons for the profits and losses.

The committee held its first meeting on this subject. It was observed by Eng Taha Zaki, minister of industry, and included Eng 'Abd-al-Wahhab al-Habbak, chairman of the Committee on Industry, Mahmud Darwish, first undersecretary of industry, and Fu'ad 'Abd-al-Wahhab, undersecretary of General Accounting Agency.

It appeared that the number of profitable companies has started to decline, from 96 in 1977 to 90 in 1978 and 85 in 1979, while money-losing companies have started to increase, going from 16 to 22 to 27 in 1979. The distributable surplus has started to increase, in spite of the number of losing companies, from 124 million to 127, then 135 million pounds. The subsidies the profitable companies acquired came to 35 million pounds in 1977, rising to 109 million pounds in 1978 then dropping to 94 million pounds in 1979.

Money-losing companies also obtained aid totalling 6 million, then 14 million pounds in 1978 and 1979.

Eng 'Abd-al-Wahhab Habbak declared that the drop in company losses from 1977 to 1978 may be ascribed to a drop in the losses of metal companies.

The committee reviewed the situation of every sector in isolation and it became clear that the number of profitable companies in the food industries sector came to 22 in 1979 and that their profits rose to 20 million pounds in 1977 then dropped to 18 million pounds and declined to 24 million pounds in 1979.

Food industry sector company losses came to 1,798,000,000 pounds and aid to money-losing companies was 1,828,000,000 pounds; this was obtained by two losing companies.

The profits of companies in the textile sector came to 46 million pounds in 1977, then 52 million, then 55 million in 1979, and aid to these companies jumped from just 1 million pounds in 1977 to 49 million pounds in 1978 then 56 million pounds in 1979.

The money-losing textile companies totalled three, then rose to five, then to seven, realizing losses of 1.5 million, then 1.7 million pounds for 1977, 1978 and 1979 respectively [sic]. Aid to losing companies in this sector totalled 2.7 million pounds in 1978 then 4.5 million pounds in 1979.

The profits of metal industry companies, of which 26 had profits in 1977 — dropping to 23 then to 22 companies — came to 30 million pounds in 1977 and 1978, then 32 million pounds in 1979. They received aid of 13 million pounds, then 3.8 million pounds, then 1.5 million pounds.

Money-losing companies in this sector totalled four, then six, then seven, realizing losses of 15 million pounds in 1977, 12 million pounds in 1978, then 10 million pounds in 1979. The losing companies received 3.5 million pounds in aid in 1977, then 2 million pounds in 1978, then half a million pounds in 1979.

20 Million Pounds in Chemical Profits

In the chemical industries sector, the number of profit-making companies came to 18 in 1977, then 17 in 1978 and 1979. They realized profits of 25 million pounds in 1977; in 1978 this dropped to 23.5 million pounds, then, in 1979, to 20.5 million pounds. They obtained aid of 7.5 million pounds, then 22.5 million pounds; this then dropped to 12 million pounds. Money-losing companies totalled six in 1977, rising to seven in 1978, then dropping to six in 1979. They realized losses of 7.3 million pounds, which dropped to 3.8 million pounds, then 8.8 million pounds, and received aid totalling 2.4 million pounds which increased to 6.7 million pounds, then 4.3 million pounds.

Mining and Ceramics

In the mining and ceramics sector, the number of profitable companies totalled five, then dropped to four in 1978 and 1979, realizing profits of 2.3 million pounds, then 2.6 million pounds, then 3.2 million pounds, in 1979. They received aid of 328,000 pounds in 1977 and did not receive any aid after that.

Losing companies numbered three, then four, then five, realizing a loss of 2.2 million pounds, then 1.2 million pounds, then 2.7 million pounds, and receiving aid of 386,000 pounds in 1977, then 2.6 million pounds, then 3 million pounds.

Textiles

In the textile sector, the number of profitable companies receiving aid came to five, rising to eight, then nine, realizing a surplus of 9.5 million pounds which rose to 12 million pounds then 14 million pounds in 1979 and receiving aid of 179,000 pounds, then 24 million, then 31 million.

Losing Companies by Government Order

A discussion then occurred in the committee on the reasons for the losses in these companies. Mahmud Darwish, the first undersecretary of industry, said "There are no losing companies, just companies losing by order of the government because of the fixing of prices on the products of these companies which are not in keeping with the costs of the commodity. What happens is that the commodity is sold at less than the economic price which the International Monetary Fund demands that we apply, and this causes us problems with international financing organizations.

"In addition to that, there are increasing cost factors caused by labor and insurance laws which are outside the companies' will."

Psychological War

Tawfiq Zaghlul, assembly member, requested that industrial companies be dealt with the way investment companies are dealt with and that liquidity for the investments needed for substitution and replacement be granted public sector companies, especially since this sector realized a production figure of 2.4 billion pounds, as well as a small surplus for distribution of 135 million pounds.

He said that the public sector is being exposed to a psychological war which no other economic sector had been exposed to, and therefore it had to be supported, or the traditional methods of evaluating company heads had to be changed and their performance linked to the profits and losses their companies realize and evaluation conducted in the light of the real reasons for losses.

11887

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THE PUBLIC SECTOR

ROLE OF PACKAGING IN MARKETING PRODUCTS REVIEWED

Cairo AL-AHRAM AL-IQTISADI in Arabic 12 Nov 80 pp 24-26

[Article by Jamal Zayidah: "Canning and Packaging and Losses in Our Agricultural and Industrial Products"]

[Text] Many of our agricultural and industrial products are exposed to waste. They also often do not reach the consumer in the appropriate form. The Egyptian consumer has long waited for commodities to reach him packaged in an elegant, clean fashion. The reason is neglect of canning and packaging processes: many industrial companies and producers of industrial products do not take canning and packaging into consideration as a basic important element in any productive economic project. Rather, it is to be observed that people who perform the production operation considered the canning and packaging process to be an expensive luxury which one can avoid and place on a lower level in the face of the vital priorities of development demands, although it is one of the basic solutions for guiding consumption and restricting the great losses borne by the domestic economy, especially as regards strategic commodities which suffer from tremendous economic pressure. Packaging and canning experts are not the first to reach unanimity on the fact that 40 percent of agricultural output is wasted or lost as a result of poor packaging or the lack of it.

Eng 'Abdallah al-'Asfuri, secretary general of the Egyptian Canning and Packaging Development Society, ascribes the reasons for the backwardness of the canning and packaging industry in Egypt to the fact that the companies producing wrapping and packaging materials and packaging and distribution companies have not been provided the means and investments to enable them to develop and produce their raw materials in a manner conforming to international developments in packaging. As a result of the aggravated situations which have occurred, which have created a terrific gap between what exists and what ought to exist, it has become difficult to leap this gap in a short period, especially since the requirements of such a leap are hedged about by numerous foreign pressures, most important of which are world inflation, high prices, and domestic policies which require that the burdens borne by the Egyptian consumer be limited, which requires that the prices of many commodities be compulsorily set. At the same time, knowledge and specialization in the field of packaging and canning stops on the part of some people who have decisionmaking power inside or outside some companies stops at a stage which is deficient in absorbing technology. More serious than all that is the fact that the new investment and liberalization laws have given liberalization companies facilities and resources which have provided them with things

that have not been granted public sector companies, and fundamental expertise has been attracted to these companies, giving them the benefits that public sector companies lack and providing them with factors of production and freedom of movement transcending by vast margins the public sector, which has borne the burden of the Egyptian economy during the difficult periods it has gone through. In addition to that, public sector leaders have long been prohibited from international contact and regular visits to international exhibitions and conferences; this has kept them from ascertaining the technological progress the world has acquired in the field of canning and packaging.

Problems of the Packaging Industry

Eng 'Abdallah al-'Asfuri adds, "Egyptian industry has not managed to procure all the raw materials and accessories needed in the packaging industry, such as certain types of paper, sheet metal and aluminum. Rather, it has placed great reliance on imports from abroad, such as the polyethylene needed for manufacturing plastic packages and chemical materials, as well as jute, which is imported from abroad and prepared locally.

"The difficulty of importing certain raw materials needed for processing has in many cases led to recourse to the use of alternative local raw materials whose specifications are below the requisite levels. This causes a drop in the level of quality of the packages produced, in spite of the high cost of producing them, and the processing of local raw materials such as paper and cardboard specifically has met with many difficulties, such as the procurement of pulp and other auxiliary materials.

"The industry of transforming or treating paper, which is the material most capable of being moulded and mixed with other materials, still needs further effort and resources in order to attain a reasonable level of international specifications."

Machinery and Equipment

Eng al-'Asfuri continues:

"Some industries are still using machinery to produce packages imported as far back as 1937. It is odd that such equipment has completely disappeared from the countries where they were produced and consequently the production of spare parts for them has ceased; these machines are being operated in noneconomic fashion because of numerous shutdowns, numerous hours of stoppage and reduced productivity, to say nothing of reliance on manual labor in many stages of package production, especially in operations of pasting, counting, wrapping and receiving, at a time when many developing countries are turning to the use of modern methods of package manufacture."

Transport Activities

In addition to that, there is not adequate protection for the packages during handling and storage as they are stacked, stowed and transported from places of package production to places where they are used, and the packages are stored in unsuitable vehicles, which causes them to lose many of their essential characteristics at packaging centers, resulting in high rates of waste,

loss, rejection by agents, and failure to study optimum storage volumes and sound storage methods.

180 Million Pound Loss

Agricultural production also suffers from such a lack of proper advanced packaging which serves to protect crops. Losses in vegetable crops last year came to about 180 million pounds because of a lack of suitable packaging and transportation techniques, resulting in a high loss rate. Dr 'Atwah Ahmad 'Atwah, director of vegetable research at the Ministry of Agriculture, says that vegetable crops spoil rapidly in stages following picking and harvest in general and that one can overcome this by following scientific methods which can be easily applied in order to preserve these crops as much as possible, especially since the crops are more expensive to produce than field crops and in addition are required every day for consumers in local markets and also for export. However, it is to be observed that the packages used in handling vegetables in Egypt, such as reed cages, gunny sacks, cotton bags and plastic containers, are primitive and cause much waste. In addition, the costs of these containers are high; a cane cage costs the producer 8 piasters while its price comes to 20 piasters, and it is used five times, while a plastic container costs 3.5 pounds but can be used for a year at least."

Dr 'Atwah specifies the rates of loss in vegetable crops by the use of packaging methods and improper transportation. He says that the rates of loss for tomatoes vary from 50 to 60 percent by season because of packaging and total: 25 percent in the case of green beans and 70 percent in the case of green peppers because they are packaged in gunny sacks. Losses in onions are no less than 85 percent, in garlic 45 percent, in potatoes 30 percent, in egg plant 20 percent and in okra 35 percent because they are packed in plastic bags used for chemical fertilizer. One can reduce losses in vegetable crops by handling fruit with them, using advanced packaging, and providing means of transport and storage on scientific bases, provided that consideration be given to introduction of small vegetable packages for sale to the consumer in varying degrees at a price in keeping with each consumer.

Dr 'Atwah recommends that recently established companies for self-sufficiency in foodstuffs perform the operation of transporting vegetable crops from production areas to packaging centers, that refrigerators be erected in main production areas, and that they take over the process of bringing them to the markets and consumer centers to reduce the rate of production loss.

Fruit Also!

Fruit is also suffering from the same problems facing vegetable crops. Muhammad Shawqi Raghib, director of fruit handling research in the Horticultural Institute, says that the process of gathering fruit and putting it in baskets, then transferring it to boxes, then cages which accommodate large volumes injures the fruit. Therefore he recommends the use of advanced packages to preserve fruit -- in particular wooden boxes for exports instead of cardboard boxes which accommodate from 18 to 20 kilograms of oranges but absorb moisture, which leads to spoilage of the fruit. It would be best if the boxes were varnished with a layer

of wax "so that the fruit will not be affected if placed in refrigerators." He also recommends that plastic containers be manufactured for the consumer to hold 1 or two kilograms, and that attention be given to putting holes in the boxes and having adequate holes in the bags to ventilate the fruit.

A Packaging Center

To solve the problem of backwardness in the manufacture of packages, Eng 'Abdal, it appears [several lines missing, exchanged for several lines from another article] in this field, and training the necessary technical staffs for this industry by conducting technical, economic and marketing research on the use of available local raw materials to take the place of imported raw materials and packages and help Egyptian companies design new packages, develop existing ones, test their performance, participate in consolidating standards, specifications and tests which must be carried out on raw materials and packages and methods for carrying out these tests, and recommended legislation to guarantee safety of production, commodities, consumers and environment.

11887

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HIGH TRANSPORT LOSSES ON TRAINS REVIEWED

Cairo AL-AHRAM in Arabic 25 Oct 80 p 9

[Article by Muhyi-al-Din Fathi: "Losses in Cargo Shipment on the Railway: Will Its Cars Be Retired?]

[Text] The Railway Authority faces successive annual losses although it plays an effective part in transporting goods on its trains. In recent years, the number of freight cars of all types and sizes, especially those with large capacities, has been increasing, in face of increased problems of shipment of cargoes by railway, and the fact that their actual costs are not in balance with their revenues on the one hand and there is competition from modern trucks on the other.

What do the experts say?

Eng Dhu-al-Himmah al-Shargawi, acting chairman of the board of directors of the Railway Authority, denies that there is a plan to retire freight cars and stresses that the authority is not venturing to dispense with them but rather that the railway's freight transport fleet will be consolidated. The volume of freight shipment by rail in the republic totals 13 percent while shipment by truck represents 75 percent; the rest is handled by river transport. The Railway Authority's plan is to raise the volume of cargo transportation in it from 13 to 26 percent by 1985 by raising the competence of the railway lines by developing operating systems, establishing additional lines, duplicating lines and implementing projects to realize this objective, such as the Itay al-Barud-Alexandria line project, which will be devoted to freight trains (freeing the Cairo-Alexandria line to carry passengers only, in order to cope with the extreme pressure), constructing the Sawhaj-Luxor line for the same purpose, and increasing the number of locomotives which are imported from the United States of America and West Germany since the projected life of most existing ones has ended. The 1981 plan includes the purchase of 65 1,650-horsepower locomotives and 34 2,500-horsepower locomotives from America. In another area there is the approach of increasing the number of freight cars manufactured locally by the Simaf company while renovating and replacing depreciated ones. The 1981 plan includes the purchase of 150 various 40-ton cars to transport fertilizer manufactured in Talkha, 120 40-ton cars to transport fertilizer manufactured in Abu Qir, and 100 40-ton cabooses.

The future plan also includes the use of modern freight cars devoted to transporting specific types of goods, including the importation of 15 refrigerated freight cars operating on electricity to transport fish, meat and vegetables over long distances, each accommodating 30 tons (80 cubic meters). The price per car totals 300,000 pounds and it will be possible to use them in particular for transporting Lake Nasir fish to Cairo and the governorates.

Eng Dhu-al-Himamah al-Shargawi stresses that the transportation of cargoes by railway used to realize big losses indeed (though freight rates doubled last year) because transport tariffs over the past 30 years remained stable in spite of the increases in other costs, services and other competing modes of transport. Now freight transport by rail will not realize gains, since costs are in balance with revenues, but it is expected that relative profits will be realized in coming years.

Eng 'Abd-al-'Al Hafiz al-Salmawi, vice chairman of the Transport Project Planning Authority in the Ministry of Transport, says that cargo transport in Egypt is now carried out by unsound methods far removed from planning. The transportation of freight on roads accounts for 75 percent of the ton-kilometers, while transportation by rail accounts for 13 percent of the ton-kilometers and internal water transport for 12 percent of the ton-kilometers: hence the Ministry of Transport is now making studies on the national level to attempt to redistribute freight transport in Egypt, in order gradually to raise its share by 1985 from 13 to 26 percent and that of water transport to 30 percent, settling on just 55 percent for truck transports when transportation costs justify such a distribution. In addition, energy consumption on roads comes to three to five times that on railways and 10 times that of water transport. The number of trucks in Egypt increased from 1974-1975 by more than 240 percent, jumping from 38,000 trucks of various capacities to 87,000 by the end of last year. In addition, the number of trailers increased from 6,000 to 14,000, according to the latest statistics. In spite of the ministry's plan to double the railway cargo transportation rate, this planning will not affect the volume transported by truck, because when we get to 1985 the increase in the volume transported will not affect the operation of the land transport fleet.

11887

CSO: 4802

THE PUBLIC SECTOR

DEVELOPMENT CONFERENCE REJECTS INDUSTRY MINISTRY PLAN FOR SECTOR

Cairo AL'UMMAL in Arabic 10 Nov 80 p 1

[Article: "Conference to Develop Production in Context of the Peacetime Economy Declares Its Rejection of Industry Ministry Plan for Public Sector"]

[Text] The Conference to Develop Production in the Context of the Peacetime Economy stressed that the public sector must remain the essential buttress on which economic and social development is based. It called for the elimination of obstacles in the way of the public sector and support for the development of the positive aspects it has achieved, along with a rejection of any tendency to detach one or more public sector units and sell them to the private sector, or have the private sector participate in them in any way, rejection of an infringement on labor rights — especially participation in management and profits as a mode of coordination between sectors and units subsidiary to the public sector — and rejection of the draft law presented by the Ministry of Industry to develop the public sector. The conference recommended liberating the public sector from supervision by the Central Organization and Management Agency and leaving supervision to the companies in the context of specific bills to be ratified by the companies themselves.

The conference which was organized by the General Federation of Egyptian Workers' Unions under the chairmanship of Sa'd Muhammad Ahmad, chairman of the federation, demanded that the projects established in accordance with the provisions of the Investment Law be implemented to investigate the extent to which they have helped advance the domestic economy, review the prices of investment company products, apply the facilities and benefits granted Arab and foreign investors to Egyptian ones, and compel the investment companies to commit themselves to the distribution of cash dividends from net profits to people working in these projects.

The conference, in the important recommendations which it issued at the conclusion of its meetings last Wednesday, also demanded that a review be made of the wage structures, that they be linked to the price and cost of living levels, that they be modified in the light of the increases occurring in them, that attention be given to production bonuses of different types, that they be linked to actual performance rates, and that the elimination of one quarter of allowances stipulated by Law 300 for the Year 1967 be raised.

In the sphere of the workforce's role in development of production, the conference recommended that disbursement of material bonuses to people working in the General Social Insurance Authority be expanded, that insurance benefits and rights of insured people working on personal contracts or on their own behalf abroad be developed, that decrees rapidly be issued on insurance benefits and rights of people working in difficult and dangerous industries, that a law be issued organizing training affairs and development, that the flight of Egyptian manpower be rationalized, that attention to industry safety be increased and that the provision of various social services for workers be expanded.

In the field of orientation of production to serve the policy of self sufficiency in food and clothing, the conference stressed that it was necessary to protect agricultural land from trespass, set forth a limited schedule for the reclamation of new farmland, expand the establishment of agricultural complex projects, review the crop structure of farmland, and give attention to cultivation of such major food crops as wheat and corn to protect citizens from world price fluctuations.

Concerning development projects, the conference warned against foreign loans and recommended that rules be set out regarding them. It demanded provisions for surveillance over import activities guaranteeing a lack of inflation in commodity prices, and guidance of the objectives of free zones to orient themselves toward production rather than toward flooding the market with consumer or luxury goods. It demanded encouragement of local goods and their protection against unequal competition from foreign goods through promulgation of restrictions on imports of foreign goods for which there are similar domestic products, or raising customs tariffs on them, and intensifying surveillance over smuggling activities through the free zones.

The conference was opened by Dr Fu'ad Muhyi-al-Din, deputy prime minister, last Monday. He gave a statement in which he stressed the importance of the role of the public sector, and Sa'd Muhammad Ahmad gave a talk on the labor movement's view on means of developing production in the context of the peacetime economy.

11887

CSO: 4802

THE PUBLIC SECTOR

PRESS COVERAGE OF PRODUCTION CONFERENCE REVIEWED

Cairo AL-'UMMAL in Arabic 10 Nov 80 p 1

[Article by Ahmad Hark: "Our National Press and the Production Development Conference"]

[Text] One of the most important achievements in the current trade union session truly is the Conference to Develop Production in the Context of the Peacetime Economy, which lasted 3 days and issued its recommendations last Wednesday.

A person following the discussions of the conference committees will feel joy because the trade union movement leaders discussed the issues presented in a scientific manner mixed with practical expertise. Therefore recommendations and resolutions were issued in a distinguished form expressing the view of the workers of Egypt on a number of important issues around which controversy revolves from time to time on the pages of the national press. The newspaper AL-'UMMAL, which is today publishing the recommendations in full, is anxious to assert that the press in our country is free, that we enjoy its freedom, and that the failure to give prominence to these important recommendations in the national press is to be considered a shortcoming on the part of those in charge of the press and not a general policy, because some leaders of press activity who now govern publication most unfortunately do not appreciate the role of Egypt's workers in development and in the development of society and the fact that the views and ideas of workers are aimed first and last at the interests of Egypt, not the interests of a group or class but Egyptian society in all its groups and factions.

The recommendations were issued after heated democratic discussions to which the Egyptian labor union movement has become accustomed. The trade union leaders participating in the conference did not discuss among themselves; rather, representatives of the ministries and authorities concerned participated with them, as well as a number of senior specialized experts, and therefore the resolutions were carefully studied and aimed at the public interest alone.

AL-'UMMAL has been anxious to publish them in full so that they will be before every official and before all the workers and people of Egypt. I can stress that we are fully confident that the recommendations will meet with full attention from all officials in spite of the shortcomings of some national press leaders now.

We are all waiting for change among these leaders this month and we hope that the mission of press activity in the national institutions will be assumed by young press leaders who believe in the alliance of the forces of the people and are aware of their responsibility during this period, because the national press belongs to the whole group, including the workers and peasants, and their papers must be expressive of all the people and not ignore the recommendations of the conference of the workers of Egypt for the sake of production during the most serious of stages, with the objective of developing that production in the service of all the people of Egypt.

11887

CSO: 4802

THE PUBLIC SECTOR

PRESIDENT GETS PRODUCTION CONFERENCE GREETING

Cairo AL-'UMMAL in Arabic 10 Nov 80 p 1

[Article: "Cable of Support for al-Sadat from Production Conference"]

[Text] Mr Sa'd Muhammad Ahmad, minister of manpower and chairman of the General Federation of Egyptian Workers' Unions, sent a cable of support to President Muhammad Anwar al-Sadat [Line missing] Muhammad Anwar al-Sadat for the achievements which have been realized thanks to his wise policy, on the occasion of the convening of the Conference to Develop Production in the Context of the Peacetime Economy. The cable says:

"Devout President Muhammad Anwar al-Sadat:

"The chairman and members of the Conference to Develop Production in the Context of the Peacetime Economy held in the General Federation of Egyptian Workers' Unions which is concluding its activities today present to your excellency the sincerest expressions of support and greeting for the great achievements which have been brought about through your wise policy that began with the historic peace initiative.

"They also send your excellency most sincere thanks for being so kind as to delegate Dr Fu'ad Muhyi-al-Din, deputy prime minister, to open the conference and present your excellency's message to it, which moved action forward, stirred up democratic dialogue within its committees, and was embodied in the concluding recommendations which will become the action plan for trade union organizations at the start of the development of production in the context of the peacetime economy.

"The workers of Egypt, who have borne responsibility for the struggle at the sites of production in the past historic stage, are, with God's permission, able to perform their full responsibility in achieving the tasks laid on their shoulders in the era of peace.

"May God realize Egypt's hopes through your hands."

11887

CSO: 4802

THE PUBLIC SECTOR

DEPUTY PREMIER OUTLINES GOVERNMENT ECONOMIC POLICIES

Cairo AL-'UMMAL in Arabic 10 Nov 80 p 3

[Article: "Fu'ad Muhyi-al-Din Announces the Public Sector Will Remain Our Main Pillar in the Peacetime Economy as It Was Our Pillar in the Wartime Economy"]

[Text] Dr Fu'ad Muhyi-al-Din stressed that the public sector, which was the prime pillar in the context of the war economy, will remain the prime one in the context of the peacetime economy. He stressed that the peacetime economy means the liberation and provision of the greatest amount of resources to consolidate the welfare and prosperity of society. He said that this would come about only through the allocation of further resources to investment and production development purposes, and that one could not achieve development without man.

In his statement before the Conference on Production in the Context of the Peacetime Economy, Dr Fu'ad Muhyi-al-Din said that the workers of Egypt are the hope of Egypt and buttress of its growth, progress, welfare and hope, and that the Federation of Egyptian Workers had a basic role in forging an Egyptian man who devoutly believes his lord and believes in Egypt, its progress and its welfare.

He added that the history of the labor movement is the Egyptian people's history of gaining political and economic freedom and that the hopes and achievements of the workers of Egypt are an embodiment of the aspirations of the people and the triumphs they have attained.

Dr Fu'ad Muhyi-al-Din talked about the workers' gains in the context of the July and May revolutions and the government's zeal to protect people with fixed incomes. He referred to the government's commitment to support numerous commodities consumed by the millions in the working classes while exerting concentrated efforts to fight against inflation and high prices and strike out forcefully against greedy persons who are trying to exploit the masses. He said that a great deal had been realized for Egypt's workers, and the hope was that more would be achieved in the context of the peacetime economy and the development and welfare to which that would lead.

He stressed that attainment of society's goals of development and justice and attainment of its hopes for national unity and social peace depended in the first place on the rights the workforce enjoyed and the duties to which it committed itself.

Herewith is the text of Dr Fu'ad Muhyi-al-Din's statement:

"President Muhammad Anwar al-Sadat was gracious enough to delegate me to open this conference and speak to you. Speaking to the workers of Egypt is to speak to the beating heart of Egypt and to the mind of Egypt which sacrifices itself on behalf of the country's development and welfare. The history of the labor movement is the Egyptian people's history of obtaining political and economic freedom, and the hopes and achievements of the workers of Egypt are an embodiment of this people's aspirations and the triumphs they have realized. The labor movement in Egypt has passed through many developments and it has faced many types of challenge. The workers of Egypt have battled and struggled against many usurping and dominating forces, and every time the labor movement has emerged triumphant, coherent, stressing the genuineness of the people who belong to it and their full faith in Egypt and its legacy, religious values, and traditions through its workers and the attainment of goals of society.

"Attainment of the Egyptian society's goals of development and justice and the achievement of its hopes for national unity and social peace depend primarily on the rights the workforce enjoys and the duties to which it commits itself and on the precise balance which is established between rights and duties. It is obvious that this balance can be realized only in the context of a system based on foundations of democracy and social justice, that is, in the context of a democratic socialist society, which is what the revolution of May 1971 caused to burst forth and was concerned over and what we are all striving for, in order to develop it and implant it under the leadership of President Muhammad Anwar al-Sadat.

"This conference of yours is a truthful expression of many noble national notions which the Egyptian labor movement believes in and adheres to. It is the Conference on Development of Production in the Context of the Peacetime Economy and thus it is a conference for all Egypt, expressing the awareness and perception present in the workers of Egypt of the demands and hopes of the society. The issue of production and the development of production represents a challenge and represents hopes. The peace which has been achieved by the struggle, blood and martyrdom of the people of Egypt, which they realized through the October 1973 victories is to be considered the point of takeoff for the achievement of the goals of society in terms of welfare and social justice.

"Your conference also expresses the maturity of the labor movement in Egypt and stresses its awareness of its duties and responsibility, alongside its faith and struggle for its rights. However, the labor union movement's success in achieving this will ultimately depend on the production made available and the effort and thought exerted by the workers in order to develop it. Your conference on production reflects your total consciousness of the degree of inter-connection between rights and duties in accordance with scientific and objective bases.

We Are Anxious for the Labor Movement to Progress

"It is necessary that in addition to the foregoing we refer to increased attention on the part of the Federation of Workers of Egypt to the intellectual and cultural

aspects of the labor movement. The study of the contents of the program of this conference, in the form of speeches and research papers, and the serious, conscious debates and opinions which it is expected will be stirred up in it stress this interest, and is a matter which we are proud of and honor — we, the people of Egypt, who are concerned that the labor movement develop and flourish.

"Your conference is receiving full support and welcome. It is a conference which is supporting the gains that have been achieved for the workers of Egypt in the context of the July 1952 and May 1971 revolutions. Work has become the right of every individual, and it has become the duty of the state to provide productive work for everyone who is able to work. The umbrella of social security has been extended to encompass all groups working in Egypt in the public and private sectors alike. The minimum wage has been more than doubled to guarantee a life of dignity for thousands of workers. The matter has not been restricted to the foregoing — rather, the government has also committed itself to subsidizing many of the commodities which the millions in the working classes consume, while exerting concentrated efforts to fight against inflation and high prices and strike out forcefully against the small class of greedy people who try to exploit the masses. All this is to be considered clear proof of the government's desire to protect people with fixed incomes who do not have power.

Assertion of the Role of Workers in Production and Development

"The labor movement in the context of the July 1952 and May 1971 revolutions has achieved many political and social gains for the workers. Egypt's constitutions and laws guarantee workers' representation in the People's Assembly, the Consultative Assembly and local and popular councils with not less than 50 percent of the seats in these assemblies, and confirms that the workers have the right to participate in the administration of the economic units in which they work, in a manner giving prominence to their personality and role in production and development of production.

"Truly, much has been achieved for the workers of Egypt, and it is hoped that more will be achieved in the context of the peacetime economy and the development and welfare that will lead to.

The Public Sector Is a Basic Pillar

"Brother and sister members of the conference, I would like to draw your attention to a number of important points:

"First, the public sector, which was the prime buttress in the context of the war economy, will remain the prime buttress, indeed must remain the prime buttress, in the context of the peacetime economy.

Investment for Production

"The second matter:

"Peacetime economy means liberation and provision of the maximum amount of resources to support the welfare and prosperity of society, but it is necessary that we understand the time span of the welfare and prosperity we are aiming at achieving.

"The resources which are being liberated and provided as a result of the peacetime economy can be allocated for purposes of direct consumption, or they can be allocated for purposes of investment, with everything the latter option means in the form of increasing the rates of growth of the society and consequently the attainment of further consumption, albeit at a later time. There is no doubt that we in Egypt are trying to build our prosperity and welfare on strong, firm bases and that that will come about only if we allocate more resources for purposes of investment and development of production.

This Is the Title of the Conference

"Thus we subsidize the utilities and the infrastructure of the economy and establish more productive projects in various fields, since that will provide more job opportunities for the people of Egypt.

Development and Construction of Egyptian Man

"The third matter:

"There can be no development without people, and therefore construction of an Egyptian man who is able to comprehend the requirements of development and work to achieve them represents the real challenge which it is incumbent upon us to face with all forms of confrontation. We want Egyptian people who believe devoutly that work is a right and a duty and that knowledge and constant training in order to learn what is new in the world of production and technology is a matter which is dictated by their responsibility toward themselves and their society.

"We want people who devoutly believe in their lord and believe devoutly in Egypt, its progress and its welfare. You, members of the Federation of Workers of Egypt, play a basic role in confronting this challenge.

"It has happened in the society of millions of the workforce working in Egypt and in many Arab countries for the sake of construction and for the sake of welfare.

"To the extent that you exert yourselves for the sake of the intellectual, cultural and vocational progress of this workforce, to that extent will you be participating in building that Egyptian man who is truly to be considered a revolution and a resource we can be proud of before all the peoples of the world. You are the hope of Egypt and the buttress of its growth, progress, welfare and hope.

"May God give you success, and peace and God's blessing be upon you."

11887

CSO: 4802

THE PUBLIC SECTOR

UNION FEDERATION CHIEF STRESSES CONTINUED SUPPORT FOR SECTOR

Cairo AL-'UMMAL in Arabic 10 Nov 80 p 4

Article: "Sa'd Muhammad Ahmad Declares: We Reject All Infringement on the Public Sector and Support Its Development without a Reduction in Its Role"

Text: Sa'd Muhammad Ahmad, chairman of the General Federation of Workers' Unions and minister of manpower and vocational training, declared the adherence of the labor movement to the public sector and opposition to all efforts to infringe upon it. He pointed out that the establishment of a powerful public sector which leads development has been one of the greatest achievements made since the July 1952 revolution. Sa'd Muhammad Ahmad said that it was good fortune that President Anwar al-Sadat has dispelled the appeals which have aimed at infringing upon this sector and state that the labor movement supports development of the public sector so that it may be rid of the restrictions and obstacles imposed upon it which limited its takeoff, provided that no development lead to a reduction in the size, role and responsibility of the public sector.

In his statement before the Conference on Production in the Context of the Peacetime Economy, Sa'd Muhammad Ahmad stressed that the transfer from a war economy to a peace economy is not an easy task but that in order for the economy to change course it is necessary that our resources and efforts be consolidated for the sake of development of its economic and social wings on behalf of alleviating suffering and attaining welfare.

He spoke about the Egyptian labor union movement's role in this sphere and said that it has proved throughout its history that it is able to bear responsibility and is always hastening to exert and sacrifice and anxious to achieve economic progress.

Sa'd Muhammad Ahmad dealt with the policy of economic liberalization and said that this policy, like other policies, had its positive, brilliant side and its negative, dark side. He pointed to the importance of creating ways which would eliminate these negative features and make this policy serve production and development.

He referred to borrowing from abroad, asserting the need for discipline in this process, and said that it required intensified wariness lest it constitute a

burden on development rather than serving it and that at the same time it was necessary for foreign banks or joint banks in Egypt to offer a real, effective contribution to development.

Herewith is the text of Sa'd Muhammad Ahmad's statement before the conference:

In the name of God, the all-merciful and most compassionate:

Mr. deputy prime minister, brother colleagues and honored guests:

When President Muhammad Anwar al-Sadat took his trip to Jerusalem about 3 years ago, this historic initiative was an indicator of the end of an era and a signal for the start of a new one in the history of Egypt in general and the history of its economy in particular.

Before that enormous event, we were living in the shadow of a war economy in which we had mobilized all our resources and efforts to protect our beloved land from any aggression or attempted aggression. It was natural that our economy, our productive system and our utilities should be afflicted by oppressiveness, indeed strain, and that this economy should stagger from time to time in its development. This all contributed to the sufferings with which our masses were heavily burdened, though they did not hesitate or stint to offer the material and human sacrifices that were in their power.

After that enormous event, also, it became necessary that the economy shift its course and it became mandatory that our resources and efforts be consolidated for the sake of development in both senses, economic and social, for the sake of eliminating the suffering whose period had lasted long and whose burden had been heavy. Therefore the president's assertion that the initiative, and the peace agreements which followed it, should mean the start of the era of welfare came about, and thus we proceeded to shift from the war economy to the economy of peace. This shift is not an easy task. There is no magic formula for realizing development in order to attain welfare.

The labor union movement has proved throughout its history that it is able to bear its responsibilities and that it is always hastening to exert and sacrifice and anxious to achieve economic progress, out of an aware perception that its good fruits will be reaped and enjoyed by the workers at various salaries and levels and therefore that it must participate actively and effectively in building this edifice. In order to express these facts, and proceeding as its custom on similar occasions, the General Federal of Workers' Unions of Egypt has organized this conference, or this group meeting, to discuss the issue of development and its various goals and means, in the context of the peacetime economy.

There is no doubt that the attainment of real development which is capable and balanced will require the presence of two basic elements, money and advanced productive technology. The policy of economic liberalization has been one attempt to provide both elements. This policy, like other policies, has its brilliant positive side and its dark negative side. Therefore the conference will deal with this policy in a manner which will eliminate the negative aspects and will put this policy at the service of production and development.

There are other sources for financing development, among them borrowing, especially from abroad. Above and beyond the need for self-discipline in this process, it requires extreme wariness on our part, so that foreign loans will not constitute a burden defeating our original purpose, which is development. In brief, we state that borrowing must be the servant of development and not its master. At the same time, it is up to the foreign or joint banks permitted to operate in this country to participate truly and effectively from this standpoint, and that is the criterion which we will pass judgment on them by — have they changed the old approach which we have foresworn and adopted a new approach of constantly working for us, and is this surplus providing the masses with benefits?

However, borrowing, and its likes, are only the last resort, after the intrinsic resources have been exhausted, and here appears the aspect according to which we must proceed, namely maximum expansion of development so that we may satisfy local demand within the limits of our resources and capabilities. This explains the essence of the policies of self-sufficiency in food and clothing and the like, leaving a surplus for export, its volume increasing the money for development as a result of exports and as a result of the gradual reduction in borrowing and importation from abroad.

The Public Sector: One of the Greatest Achievements

Honored guests, colleagues and brothers:

The establishment of a powerful public sector leading development has been one of the greatest achievements to have been realized since the July 1952 revolution, and thus the extreme interest on the part of the labor movement not just in preserving it and warding off any attempt to infringe upon it, but indeed in supporting it, developing it and improving it. For some time appeals have been bruited about to infringe on this sector and in some cases the matter has reached the point of talking of diminishing it. Fortunately, President Anwar al-Sadat has dispelled this talk for good, especially in the statement he made to the people last September.

Other appeals have been aimed with varying degrees of emphasis and stress at what has come to be known by the name "development of the public sector." The labor movement for its part supports and backs this approach, so that this pioneering sector may rid itself of the restrictions, obstacles and negative features imposed on it which limit its takeoff. In this constructive spirit, a specialized General Federation committee has offered the labor movement's viewpoint on this development. Once again, it is necessary to stress that development must not lead to a diminution in the volume, role and responsibility of the public sector.

Mr deputy prime minister, colleagues and guests:

The labor union movement, realizing that the current conference is dealing with and discussing seminal issues bearing on our society and coming generations, is confident that the recommendations and proposals it presents will be received with the appropriate degree of responsible scientific attention.

Let me take this occasion to give thanks to the researchers who have been so kind as to present their research on the conference subjects, representing the summary of their theoretical ideas and practical experience.

God is great and gives success to that which is beneficial.

11887

CSO: 4802

THE PUBLIC SECTOR

WORKER CONFERENCE DELEGATES DISCUSS INDUSTRY MINISTRY PLANS

Cairo AL-'UMMAL in Arabic 10 Nov 80 p 3

[Article: "The First Committee, Chaired by the Colleague Ahmad al-'Anawi: "Workers Protest Ministry of Industry Draft on Public Sector?"

[Text] The first committee discussed the guidance of Ahmad al-'Anawi, chairman of the General Petroleum and Chemical Union, and Dr Rashid al-Barrawi, counsellor for economic affairs of the Egyptian Workers' Federation.

Its members unanimously requested that an organizational structure be set forth on supervision and protection of the public sector and Workers' Federation responsibility in discussing the statute on organizations and authorities which have been abrogated and previous experiences in a framework of objectivity.

The observations of the members of the first committee of Egyptian workers included a protest against the Ministry of Industry plan, especially as regards prohibition of worker participation in management and fixing of a known rate of net profits for distribution to the workers. The Ministry of Industry memorandum mentioned exemption of projects established in accordance with Law 43 for the Year 1974, amended by Law 32 for the Year 1977, from the stipulation that workers participate in management and profits. In the conference, the Egyptian workers severely opposed this stipulation, on grounds that workers' participation and the attainment of profits are an inseparable part of the workers' gains and must not be relinquished.

The members of the committee also stressed that the labor union movement declares its affiliation with the public sector and adherence to it and considers that all means should be adopted to support and develop it, rid it of the problems and negative aspects facing it and protect the products of the public sector which the private sector obtains after transforming them by one means or another then reselling them at a higher price. The closest examples of this are textile products in the form of cotton and woolen cloth, and metal, machine and electrical products manufactured in the public sector which are cheaper than similar items imported by the private sector, although they require development in form in order to keep abreast of constant development to satisfy the taste of the consumer and better able to face competition.

Referring to these observations were Mihy-al-Din 'Abd-al-Latif, chairman of the local federation of workers of Alexandria, Salah Mughazi, chairman of the local

workers' federation of Aswan, Ahmad Dassugi, vice chairman of the General Petroleum Union, Mahmud al-'Askari, vice chairman of the General Food Industries Union, and 'A'ishah 'Abd-al-Hadi, member of the petroleum union, regarding support and development for the public sector so that it could perform its role, on grounds that it is one of the achievements of the glorious July revolution. They also claimed that it was necessary that the public sector be liberated from red tape and bureaucracy, that it be liberated from supervision by the Central Agency for Organization and Administration, that supervision be left to the companies themselves in the context of specific bills and rules governed by general legislation for all sectors, and that specific bills be set forth for economic activities whose activities vary, such as textiles, chemicals, metal industries, building and construction, land, sea and air transport, food industries, mines and quarries.

11887

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COMMITTEE CRITICIZES LIBERALIZATION, SCRUTINIZES FINANCIAL POLICY

Cairo AL-'UMMAL in Arabic 10 Nov 80 p 3

[Article: "The Second Committee: It Is Necessary To Set out Rules To Protect Public Funds and Remedy Negative Aspects of Liberalization"]

[Text] Over a period of more than 10 hours of discussion and study, the second committee — the committee on economic liberalization and guidance of liberalization to serve production — reviewed two of the most important research works of the conference. The first work was prepared by Dr Muhammad 'Ali Rif'at, vice chairman of the Federation of International Organizations; the second item was prepared by Fahmi Kamil, manager of the Reconciliation and Arbitration Department of the Ministry of Manpower and Training. Heading the committee was 'Ali Dafda', chairman of the General Textile Workers' Union.

At the beginning of the committee's activities, both the people preparing the research presented a summary review of the most important contents of the study they had prepared.

Dr Muhammad 'Ali Rif'at reviewed the policy of economic liberalization through the contents of the government statement and the practical implementation of this policy through the Investment Law, describing the discrepancy between the two. He said that each had traveled along a road different from that of the other.

Dr Rif'at then reviewed a number of articles in the Investment Law and described their shortcomings in achieving the goals of economic liberalization. He then ended his review by describing what Egypt wants from the policy of economic liberalization.

After that, heated discussions went on among committee members.

Fayiz al-Kartah, member of the General Federation of Machine Industries, said "It is necessary to shed light on the tragedy which has arisen from the liberalization and participation projects. A committee was formed which arrived at recommendations under the chairmanship of Dr Rashid al-Barrawi, the economic counsellor to the Workers' Federation; these recommendations have not yet seen the light of day.

"I state that we consider that all the companies which have come to Egypt to take part with the public sector are multinational companies which are suffering from serious crises in their own countries, and have come to life in Egypt." He said, "What is happening now to the public sector is total liquidation, and there is much proof of that. The General Battery Company has become 68 percent foreign and 32 percent Egyptian, and the al-Nasr automobile manufacturing company has become threatened with shutdown and the uprooting of 13,000 workers!"

'Ali Dafda', chairman of the Textile Union and chairman of the committee, in following up, answered by saying that the Workers' Federation was not against economic liberalization but that it was necessary to support Egyptian labor and that it was necessary to set out rules to protect public funds in Egypt. So far, most of the liberalization has been for consumption and it has had many weak points.

'Awad Ibrahim, of the Engineering Industries, said:

"In Egypt there are some people who are not trying to develop because they are connected to other bodies. While management still has existed for 20 years and we find that productivity has dropped, it is necessary that there be staffs which are able to administer their units, in place of the existing staffs. It is necessary to create a new generation which will bear the responsibility for new production.

"The foreign companies have received support from the Investment Authority in order to compete with domestic companies. If this situation continues, and if the current investment law remains in effect, this will certainly lead to the shutdown of public sector units, and we will find ourselves economically colonized!"

Mustafa Yusuf, member of the Air Transport Union, described the problem of the Egypt Air Company. Before 1971, the company realized losses; today it has started realizing profits of no less than 18 million pounds a year. The result has been that more than one competing company has faced it, while everywhere else in the world there is only the domestic company itself.

The committee started its evening session with a number of questions presented by Muhammad al-'Abbasi, the counsellor to the second committee, on protecting the domestic economy. He objected to the privileges granted to foreign companies, and said that the liberalization companies exploiting the raw materials available in Egypt in the context of the facilities given to the liberalization companies are exploiting raw materials and exporting them for their private account, and the country is losing the raw materials while they reap their value and the country derives no benefit.

He said, "Foreign labor has come to Egypt, in the context of the economic liberalization. First of all, it is necessary to get the opinion of the trade union organization in Egypt on this, and we must not abandon our companies to be gobbled up by the foreigners, as the General Battery and the Alexandria Metal Products Companies are."

Fahmi Kamil, manager of the Reconciliation and Arbitration Department of the Ministry of Manpower, reviewed the study he had prepared on Investment Law 43 for the Year 1974 and the results which accrued from it.

Then the discussion took place, as follows:

Payiz al-Kartah, member of the Machinery Industries Union, said "I request that the report of the committee held in the General Federation of Egyptian Workers' Unions which produced recommendations dealing with the Investment Law be added to the recommendations of this conference.

"It is necessary to protect Egyptian labor and stress that there are Egyptian experts who can work in the investment companies and that it is not necessary to employ foreigners to do work which Egyptian workers can perform. Thus it will be possible for us to protect Egyptian labor in the investment companies.

"We encourage the Workers' Federation to intervene in serious fashion in legislation which infringes on workers' lives."

He said that the easiest means for public sector companies today to evade oversight by the Central Accounting Agency is to enter into partnership with foreigners!

He warned that destruction of the public sector would be the destruction of the Egyptian economy.

He added that in its Article Six, the Investment Law relinquished a sovereign right, which is that of nationalization and confiscation -- a serious matter.

The second committee ended up with a number of recommendations for presentation to the conference formulating committee. These were:

Linking investment projects to the government's economic development plans.

Insisting that the participation of foreign capital be in new projects and not at the expense of currently existing public sector projects, since that would be in violation of the 23 July and 15 May revolutions and the constitution.

Refusing permission to foreign capital to participate in economic and strategic projects.

Giving the public sector benefits which will qualify it to compete on an equal basis with investment projects.

The need to conduct a comprehensive finding on projects which have been established in free zones and the degree to which they participate in serving and uplifting the Egyptian economy.

The need to review the prices of investment company projects and to have them in keeping with the usual costs and profit rates so that the salaries of lower employees and workers will not be infringed.

Review of existing legislation to ascertain the degree to which it is in keeping with the interests of the domestic economy.

Enabling popular organizations to exercise their role in performing surveillance over investment companies, with the objective of remedying deficient aspects and negative features in their various activities.

Discussion revolved about some of the recommendations, one of the most important of which was the recommendation that permission not be given for foreign participation in strategic and economic projects.

The chairman of the committee, 'Ali Dafda', commented by stating "We are in favor of economic liberalization but in the proper manner, and we have made a stand against numerous projects which were to have been established, among them, for example, the al'Amiriyah project, preventing investment companies from participating with fertilizer companies in Egypt and suspending the polyester plant which, if erected, would shut down the Egyptian polyester plant for whose construction a loan has been received from the World Bank."

On the recommendation bearing on the review of existing legislation in order to determine the extent to which it is in keeping with the interests of the domestic economy, one member recommended that an addition be made to the Investment Law regarding ores from mines, because the investing company extracts the ores for processing and resells them, and our country becomes bankrupt in local ores.

11887

CSO: 4802

THE PUBLIC SECTOR

CONFERENCE COMMITTEE DISCUSSES VARIOUS LABOR PROBLEMS

Cairo AL-'UMMAL in Arabic 10 Nov 80 p 4

[Article: "The Third Committee, Chaired by Colleague Mustafa Munji: Emigration of Manpower Has Damaged Production"]

[Text] 'Abd-al-Mughni Sa'id presented a research study on the level of the productive capability of workers in which he discussed the elements influencing productive capability and the role of the government and unions in this field. He also referred to the lack of attention to vertical expansion in production, said that vertical development is to be considered development of the means of production and gave an example of that in the fact that if the capability of existing land were increased 20 percent that would be the equivalent of reclaiming 20 feddans of new land [sic].

He moved to another point, which was the neglect of maintenance, replacement and renovation in installation budgets, which results in the loss of capabilities through which it would be possible to develop production.

He added that the factors of productive capability were not the responsibility of the workers but were the responsibility of planning and the state, in terms of incentive systems and the health level of the workers, all of which influence productive capability.

After that, vocational training was dealt with. He said that it was necessary to train apprentices in the type of work which was compatible with their inclinations and physical capabilities, while introducing a system of vocational training at the primary education stage in order to help young people demonstrate powers and abilities and put them in the appropriate places.

He referred to production incentives, stressing that if the worker had interest in productive capability, he would not respond to the job and give any increases in production. In addition, incentives are a means to encourage increases in the level of the workers' productive capacity.

He dealt with the point of management of installations and companies, stating that unfortunately there still are unworthy models at the level of higher management.

Importance of the Incentive System

al-Khuli Sharif, Railway Union:

"There must be a production plan on the part of the government so that it will meet consumption and there will be no recourse to imports." He went on to say, "It is necessary that there be a commitment to what we discuss in the committee." He then referred to factors influencing productive capacity, saying "Improving the incentive system for workers and understanding their basic demands are to be considered among the most important elements affecting productive capability."

Sayyid Farahat, representative of the Press Union: "The flight of trained manpower abroad is to be considered a factor affecting productive capacity. It is necessary that this issue be discussed and that the causes leading to it be studied, including a lack of interest in workers' morale and treatment, the low wages, which are not in keeping with the high prices, and all influential factors. I believe they may be summarized in these two points.

"As regards the economy, I consider that it is a single economy and that there is not what is called a war economy or a peacetime economy." He then referred to the wage system and the management method and said that he was against applying what was in the private sector to the public sector. He requested that there be a unified labor law for all sectors, pointed out that there were boards of directors which opposed and obstructed labor union activity, and demanded substantial representation of workers on boards of directors.

Provision of Financial Liquidity for the Public Sector

Mustafa Kamil Lutfi, social insurance counsellor of the Federation of Workers' Unions, through the research he presented on the status of the public sector and the provision of financial liquidity for it, made a presentation, stating, "Social insurance is to be considered compulsory savings which realize annual receipts of about 600 million pounds as a source of money which the government can invest instead of turning to loans and high interest rates. It is possible to develop and increase the money existing in insurance. We have 13 million people covered by insurance, and about 3 million evade payment of instalments. If we set forth a plan to combat evasion of the payment of instalments, we will collect a lost financial source which can be used in various projects which will yield the country profits and interest in the place of foreign loans.

Negative Features in the Insurance System

"However, there are many negative features from which existing insurance systems are suffering. For example, employers do not pay the instalments for the people working for them and, if they do, the instalment payments are based on imaginary, incorrect numbers. We have 1 million Egyptian workers /abroad/ and instalments are collected from only 800,000 of them; if the whole figure is collected, that will bring us a revenue equal to \$400 million a year.

"There is another point for encouraging Egyptian workers abroad to share in insurance, and that is that we should encourage them to contribute hard currency,

provided that pensions also accrue to them in hard currency, so that they may be sure of the interest accruing to them. However, when the contributor pays in hard currency and is repaid in Egyptian currency, that is an element which helps the process of evading payment. In the event they settle down in the country to which they emigrate, the pension must be paid once, in the same currency in which the instalments are paid, so that they will find an incentive to pay the instalments."

The Second Side of the Role of Insurance

Mustafa Kamal Lutfi continued his discussion, stating "the role of insurance does not stop at financing alone, because it has a role in pushing labor into sectors which the government needs; for example most of the workers in mines and quarries fled this field for other fields, and it happened that we developed the insurance system bearing on these workers so that they would settle down in this field. Mine workers have started to receive pensions after 28 years as opposed to the ordinary pension which is given after 36 years.

"Through this distinction in wages and insurance, I can attract workers to the nation without flight abroad."

He went on to say, "It is necessary to settle the pensions on the basis of adding the last two base years and adding the incentive to that."

Industrial Safety

Prof Mustafa Kamal Lutfi then addressed himself to the issue of industrial safety, stating, "Statistics on injuries, disabilities and deaths stop at 1976 and after that the statistics have been cut off, which makes me unable to come up with the number of lost work hours and translate these hours into cash figures so that we can ascertain the extent of losses incurred by the state through neglect of the issue of industrial safety."

The discussion dealt with the process of facilitating payment of dues, since many people complain of the difficulty of paying dues; these obstacles must be eliminated and payment eased.

Mustafa Kamal Lutfi said that this may be attributed to the existence of a gap in social insurance such as the Authority and Ministry of Insurance.

Guidance in the Use of Means of Production

Prof 'Asim 'Abd-al-Haqg, secretary of the Federation of Workers' Unions for Acculturation and Training Affairs, discussed the role of the union system in protecting the domestic economy in a manner serving the cause of production and demanded that the use of existing powers, that is, the use of existing production personnel, be guided in the best fashion.

After that he then moved over to the problem of loss of the time element, specifically, as a basic issue on which a recommendation must be made through the conference, then after that he referred to the federation's position when some

company heads opposed trade union organizations, considering them an obstacle to work, and the federation stood by the workers and supported them until they won their rights.

He went on to say that the labor movement is a purely national one and that it contains labor unions but has not embraced any political tendency.

The Industrial Safety Organization

Dr Huda 'Afifi, director general of Industrial Safety in the Ministry of Labor:

She dealt with the factors influencing the increase in production, referring to workers as an important element in the productive process and what can be provided for them so that they can feel safe in order thereby to provide greater output. She then demanded, "The company dues to Industrial Safety must be in conformity with the degree of danger: there are companies where the accident rate is lower and we must reduce the price of the dues. A severe penalty is also to be imposed on companies which do not set our surveillance systems.

"As regards preventive uniforms, it is to be observed that people buy them at exorbitant prices and thus all preventive clothing is measured by that. We want the federation to conduct surveillance over that with the union committees.

"It is necessary that the federation be concerned with supervision over the purchase of imported machinery in the shops, that the degree of danger to workers be estimated and that the importation of machinery which causes injuries be stopped."

She referred to an important point, which is that training takes place without a review of industrial safety programs.

She then dealt with industrial safety laws and said that these laws ought to have been developed in a manner which would lead to help solving the problem.

al-Khuli Sharif, of the Railway Union:

He stated "The people supervising industrial safety are not specialized in the fields they supervise and it is to be observed that there is severe neglect in supervision, resulting in grave dangers, because the supervisors do not comprehend the technical matters.

"Finally I would like there to be precise inspection, which is in the interest of the workers." Dr Huda al-'Afifi /line illegible/ al-Khuli Sharif in that, stating that the government was not subjected to industrial safety laws and she recommend that a special law on industrial safety be issued.

A Pioneering Training Experiment

The chairman of the committee, Mustafa Munji, talked about the training experiment in Hilwan and said "We have conducted a pioneering experiment in Hilwan which is that we took the children of workers who failed in their studies in order to

train them in war industries; the engineers and technicians in the company train them in exchange for material incentives during the training period; in addition, the company commits itself to appointing them after 5 years. The experiment has succeeded in preparing good trainees."

Then 'Abd-al-Mughni Sa'id spoke.

He said, "We must orient ourselves toward the development and optimum exploitation of existing industries and not open new competing ones, especially ones competing with the seven investment project companies." He went on to state "Flooding the market with imported products is to be considered death to Egyptian industry; we can finance replacement and renovation through expansion of companies with new shares instead of selling shares."

Mustafa Kamal Iutfi then spoke, stating that the public sector had to be the sector of support, in order to confront the current inflation, since it was not possible to confront [last line illegible].

11887

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THE PUBLIC SECTOR

COMMITTEE REVIEWS APPLICATION OF PRIVATE SECTOR INCENTIVES

Cairo AL-'UMMAL In Arabic 10 Nov 80 p 4

[Article: "The Fourth Committee: Benefits of Investment Companies for the Public Sector; Application of Private Sector Incentives"]

[Text] In the fourth committee, heated discussions occurred on the system of wages in the public sector companies. The committee members declared that it was necessary for workers in these companies to obtain all the benefits which workers in the investment companies obtain, to apply the system of incentives to people working in the private sector, and to exploit the agricultural land in Sinai in order to establish projects which are aimed at the attainment of self-sufficiency in food and attract labor coming back from Arab countries to establish new families there. The committee, represented by 'Abbas Mahmud as chairman, Faruq Khalil and Ibrahim Hanbal as counsellors, 'Umar 'Abd-al-Hadi as secretary and Salah Sadiq as contact officer, began its first morning session with a discussion of the work presented by Dr 'Ali al-Silmi on satisfying local demand and providing an export surplus so that reliance on borrowing and importing from abroad could gradually be reduced.

In the evening session, discussions revolved around a number of issues, most important of which were self sufficiency in food and the flight of technical manpower abroad in the quest for a better life for Egyptian families.

Ahmad Lutfi, Tourist and Hotels Union, and Kamel 'Abd-al-Qadir, Railway Union, spoke about the arable land and liberalization companies and requested that the arable area be expanded and that establishment of liberalization companies be permitted for productive companies, not consumer companies.

They also requested that the public sector be treated equally with the investment companies and that workers obtain the benefits given to the investment companies. They also demanded that companies not be established which competed with public sector output.

The colleague Ibrahim 'Ammar, secretary of the Administrative and Social Services Union Fund, supported Prof Ibrahim Hanbal on raising wage levels and raising the wage structure of all companies in isolation so that each company would have its own wage system which would be in keeping with the circumstances and nature of its own industry. The members of the committee, without exception, determined that raising wages would inhibit technical labor from emigrating from Egypt, especially to the Arab world.

The members requested the establishment of projects in Sinai for self-sufficiency food to exploit either labor coming from Iraq or peasants who had been trained in the army, and that they all be given an area which would yield good results for them and for Egypt, instead of emigrating, and meet our requirements from the land, especially local wheat, so we would not import it from abroad.

Muhammad 'Ali 'Abd-al-Karim of the Mines and Quarries Union, and Ahmad Hasan of the Press and Media Union, warned against repeating the experiment of the free zone in Port Said in the al-'Arish area which was to be used for trade between Egypt and Israel, and they demanded that it be a zone of productive consumption, that oversight over imported foodstuffs be intensified and that irrigation and road methods be regulated.

Muhammad Abu-al-Nasr demanded that the Manpower Committee apply the system of incentives to the public sector and realize more services, such as means of transport and summer resorts to limit the absentee rate, that subsidized goods reach people who get them through the cooperative societies established in work and production sites, that workers be protected through the presence of legislation determining management's responsibility on industrial safety stipulations, and that means be made available to preserve human resources in the form of workers.

Members of the committee also recommended expanded vocational training and establishment of industrial schools for the vocations and crafts the country requires. They also requested that there be labor contracts for people migrating abroad which would confirm that their rights were being protected and that they were being protected abroad against all forms of oppression and suffering, as is normal in advanced and developing countries.

The colleague Hilmi Khalil, the war industries representative, demanded that the appropriate man be chosen for management responsibility so that he could offer it his expertise and that he be aware of management science so that the public sector could assert its role. They also demanded that buildings not be erected on agricultural land.

Husni Sadiq, Public Utilities Union, demanded that research be submitted to the unions a week before the convening of any conference so that time would be available for the committee forming the conference to study it and set forth its recommendations. They also demanded that the policy on self-sufficiency in food be guided, that the care of people working abroad be doubled, and that their money be used for investment projects by paying loans which give interest. They also demanded that foreign loans be reduced, that advance studies be made on projects for which the loans are made, and that the projects be for investment. They also demanded that the price of hard currency be consolidated, that surveillance over foreign banks be intensified, that the funds of Egyptians not be transferred abroad except within limits, that bank savings be properly used and that self-sufficiency be practiced as far as possible. They also demanded that the loans be for investment and that 50 percent of the wages of people working abroad be transferred through joint labor contracts between the governments in order to guarantee that Egyptian workers are protected abroad, and they also demanded that modern goods and machinery arrive and that slow-moving, old goods not be purchased.

Kamil Riyad, Textile Workers' Union, also said that it was necessary to make a proper selection of delegations going abroad to conclude commercial contracts, and that they be at a good moral level, that attention be given to central planning, that customs tariffs be eliminated from goods imported for the public sector and that the acquisition of allowances be suspended.

11887

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THE PUBLIC SECTOR

PEACETIME ECONOMY CONFERENCE ISSUES FINAL RESOLUTIONS

Cairo AL-'UMMAL in Arabic 10 Nov 80 p 5

[Article: The Conference on Production in the Context of the Peacetime Economy: Liberation of Public Sector Companies from Restrictions, Direct Supervision, Separation of Ownership from Management]

[Text] Herewith is the text of the concluding statement by the Conference on Production in the Context of the Peacetime Economy, which contains the conference's recommendations and resolutions:

Out the Egyptian trade union movement's faith in its major constructive role in supporting the course of the Egyptian economy, perception of its conscious responsibility in presenting the importance of the stage of transition from an economy of war to an economy of peace, mobilizing all forces to achieve the goals of development through work and production, studying the obstacles and negative aspects which impede the course and obstruct its attainment of the desired objectives, and rising up to put an end to them, the General Federation of the Unions of Egyptian Workers, in the period 3 through 5 November 1980, held a conference to highlight the role of the Egyptian working class in developing the Egyptian economy and causing it to flourish.

President Muhammad Anwar al-Sadat was so kind as to delegate Dr Fu'ad Muhyi-al-Din, the deputy prime minister, to inaugurate the conference and make a statement on his behalf which was the object of full reception and appreciation by the members of the conference, including the board of directors of the General Federation, representatives of the general labor unions and delegates from 22 ministries and economic and scholarly bodies.

Four committees branched out from the conference, to discuss [word illegible] research papers and documents dealing with a statement on the importance of the stage of transition from an economy of war to an economy of peace and discuss the guidance and development of the public sector, orientation of economic liberalization in the service of production, the role of manpower in development of production, and orientation of production in service of the policies of self sufficiency in food and clothing.

The triumphs of the October 1973 war and the developments which followed it, up to the stage of peace we are experiencing now, have drawn attention to important facts, foremost of which is that it is necessary for all Egyptian powers

and capabilities to function seriously and in coordinated fashion to make up for much of what has eluded us and to develop the Egyptian economy in order to attain a prosperity which has long been awaited by the masses. Proceeding from this premise, the General Federation of Unions of Egyptian Workers organized this conference.

In the light of all that, the discussions of the conference committees, which embodied the highest levels of democratic scientific [word illegible] dialogue, produced the following recommendations:

Development of the Public Sector

First, for the sake of guiding and developing the public sector:

Emphasis that the public sector must continue to be the main buttress on which economic and social development is founded. In the light of this fact, the conference, embodying the viewpoint of the workers' union movement, declares that it supports every measure to develop this sector so that it may assume its role; by development, it means improved performance in various fields by eliminating the obstacles in its way and supporting and developing the positive features that are achieved.

The conference stated that there are negative features which limit the takeoff of the public sector in the industrial, commercial and other fields and, in order to remedy these negative features and strive to achieve the desired development, the conference recommends:

1. Liberation of public sector companies from restrictions and direct supervision and separation of ownership from management by:

A. Setting out specific bills on economic activities of differing natures in order to give public sector company personnel freedom of action. This constitutes one factor which will enable them to stand on an equal footing with the private sector companies.

B. Liberating the public sector from supervision by the Central Agency for Organization and Management, leaving supervision to the companies themselves in the context of specific bills which the companies will interpret themselves in the context of rules governed by general legislation for all these sectors.

2. Since some public sector units are suffering from a liquidity deficit and lack of adequate allocations for replacement, renovation and expansion purposes, the conference recommends the following:

A. Setting forth a system by virtue of which the company will strive to preserve the [word illegible] which it will use to attain its objectives.

B. That it be among the objectives of this system [words illegible] referred to to help struggling units to be able to stand on their feet.

C. Arranging the allocations necessary for replacement and renovation processes through internal resources or by recourse to bank loans and credit facilities

after conducting precise economic studies to ascertain the need for requisite machinery and equipment on the one hand and the ability to pay on the other.

D. Increasing the capital of the productive unit and putting the surplus up for general subscription.

E. Rejecting any approach to appropriate one or more public sector units and sell them to the private sector or get the latter to participate in them under any circumstances.

3. The conference emphasizes the need to provide the expertise and advanced technology required by the processes of renovation, replacement, [word illegible] or expansion. This may be achieved by numerous means, among them:

A. Making technical expertise contracts with foreign companies and consulting firms.

B. Sending delegations abroad to study and train in new developments in the industrial sector, for instance, or bringing in experts and technicians for specific periods at appropriate compensation.

4. The conference recommends the pursuit of a price policy based on balanced bases and rules, which will be applied to all economic activities and will take a reasonable profit margin and real costs into consideration so that prices will not take off without restraint, and based on the repression of inflation, lest the public sector alone bear burdens facing it with danger.

5. The conference insists that in the event the laws governing or regulating the public sector are developed, workers' rights must not be infringed, on grounds that they are constitutional rights which will not admit of debate, especially those governing participation in administration and profits, and this principle must be observed in private sector companies which are subject to legal provisions bearing on worker participation in management and participation in profits.

6. Granting public sector units the following benefits:

A. The right to open an account or accounts in foreign currency in domestic banks and use their special account, without permission or permit, to serve their objectives, such as paying off the value of the commodity or investment goods they require and so forth.

B. The right to import by themselves or through others, with the right of examination and without permission, the requirements they need for one reason or another, and to export their products by themselves or through intermediaries without permits.

7. A comprehensive view should be taken of development, on grounds that it is an integrated process which is interlinked with various activities and requires a comprehensive, clearly delineated plan.

8. The conference rejects the tendency to establish holding companies as a means for coordinating the sectors and units subsidiary to the public sector, because such a means will lead to financial and administrative concentration and paralysis of the freedom and efficiency of these units.

The conference calls for the establishment of an agency which will take charge of linking and coordinating these specific units.

As regards the draft law presented by the Ministry of Industry on the statute for investing domestic capital in national development projects, which, in the explanatory memorandum, has been called the draft to develop the public sector:

The conference has studied this draft and decides to reject it in form and substance.

In form:

The Ministry of Industry acted alone in preparing the draft law, although the public sector includes other non-industrial sectors, above and beyond the fact that there is a portion of industry which is not subsidiary to the Ministry of Industry.

From the standpoint of subject:

The draft does not speak of any development of the public sector, and its provisions are opposed to the recommendations the conference has issued. The conference supports the memorandum which the federation prepared on this draft and recommends that it be presented to the bodies concerned.

Economic Liberalization

Second, in the field of economic liberalization and its orientation in the service of production:

The conference, while supporting the policy of economic liberalization, in forms in which it has a purpose and is headed in the proper direction which will realize the development of production and raise the capability of performance by using advanced means of production as well as expanding the scope of job opportunities for Egyptian workers, recommends the following:

1. Commitment on the part of projects to invest Arab and foreign funds to the general framework of economic and social development plans, and orientation of these projects toward the service of society.
2. Restriction of participation of Arab and foreign capital with the public sector to new projects and so that it does not extend to existing public sector units, in order to preserve the public sector, on grounds that it is the basic pillar of the national economy, and to attain the goals of economic and social development.
3. Evaluation of the projects established in accordance with the provisions of the Arab and Foreign Fund Investment and Free Zone Law up to 1980 to ascertain

the extent to which they have participated in moving the wheel of the domestic economy forward and in participating in development, and taking the measures necessary in the light of the results of the evaluation process.

4. A review of the prices of investment company products and the extent to which they are in keeping with real costs and stay below the reasonable profit margin, and the attainment of effective surveillance over the prices of these companies' products.

5. Application of the same facilities and benefits which are granted to the Arab and foreign investor to the Egyptian investor, in a manner which will bring about equality in competition.

6. Abrogation of the newly devised provisions for participation in management through an administrative committee cooperating in projects subject to the Arab and Foreign Fund Investment Law which are included in the model preliminary contracts and charters of these projects issued by Decree of the Prime Minister No 92 for the Year 1975.

Referral to the current provisions regarding worker participation in the board of directors included in Law No 73 for the Year 1973.

As regards worker participation in profits, the conference stresses the need to have projects established in accordance with the provisions of the Arab and Foreign Fund Investment Law commit themselves to distributing to the people working in these projects a cash share of the net profits of not less than 10 percent of the amount set aside for distribution.

Role of the Workforce

Third: in the realm of the role of the workforce in developing production:

A. Social insurance and industrial safety:

1. In view of the increase in the two phenomena of evasion of social insurance dues and the inflated volume of indebtedness of employers, and the consequent decrease in collections by social insurance funds, the conference recommends the following:

A. Expanded disbursement of material incentives to people working in the General Social Insurance Authority as a means for raising the performance level of insurance services.

B. Development of insurance rights and benefits for insured persons who are working on personal work contracts or on their own account abroad; these will in specific cases be paid in the foreign currencies in which the dues are paid, in order to offer these persons an incentive to participate in this system, to obtain massive foreign currency receipts.

C. Increases in the rate of one quarter of investments which the owner defrays in the event of delayed payment to the equivalent of the interest rate the banks

pay on borrowing; this will lead to rapid payment of delayed sums and consequently their orientation in service of the economic and social development plans.

2. Rapid issuance of decrees bearing on the insurance rights and benefits pertaining to people working in difficult or dangerous industries in order to support the labor in these important sectors which have a large effect on the attainment of development goals. The committee created by Ministerial Decree No 142-77 should apply their role to the other sectors.

3. Orientation of a portion of social insurance funds to support and provide suitable equipment for vocational health and safety [words illegible] in a manner providing the necessary protection for the human workforce.

These bodies should commit themselves to returning these funds over periods of time specified by agreement with the General Social Insurance Authority.

4. To keep abreast of modern trends in the field of work injury insurance, the conference recommends that insurance dues be in keeping with the degree of danger, volume of injury and rate of repetition of the injury, in a manner permitting the expansion of industrial safety measures and commitment to stipulations to prevent work accidents in a manner leading to actual reduction in injury rates and treatment periods.

B. Training:

5. The recommendation on the issuance of a law regulating training which will give special prominence to the role of the trade union organization in contributing to the promulgation of a training plan and following up on training programs and will stipulate that a manpower data bank is to be established and the necessary financing is to be provided from the budget of the state, local agencies and various sectors of economic activities, provided that the law bind public sector units and large private sector units to train a certain proportion of their workers annually.

6. Establishment of a national vocational and technical training research institute.

7. Formation of a higher council for industrial education and vocational training which will include representatives from Industrial Education, vocational training centers and institutes, the relevant ministries, and the General Federation of Workers' Unions. Its task will be to create and achieve integration between industrial education and vocational training and to link both to the requirements of the economic and social development plans.

8. A review of training, on grounds that it is an advanced, continuous process, considering training an element in evaluating the performance of the installation.

9. The need to coordinate various units of production in the public sector and evaluate technical and administrative personnel in the workforce to ascertain

the extent to which these personnel are fit for various types of production and consequently to determine the extent of need for training and set out the necessary training plans and programs to raise the level of productive competence of the work force, provided that the role of the Central Agency for Organization and Management be restricted to training in higher management alone and that the installations themselves assume charge of training in regard to middle and lower management.

10. Participation of universities in organizing studies on the system of domestic missions for workers engaged in technical activities with precise specializations.

11. Organization of the emigration of Egyptian manpower abroad and linking emigration policy to development demands and vocational training policy in a manner which will be adequate for substituting technical staffs for staffs which are permitted to emigrate.

12. Increased attention to industrial safety in order to protect and look after the workforce, on grounds that that is the main pillar of development, while setting out severe deterrent penalties for violations connected to trespasses against industrial safety precautions and stipulations.

13. Increased attention to social services of various types offered to workers, since that is largely connected to the psychological and social stability of workers, and consequently their increased productive competence.

14. A review of wage structures, their linkup to the level of prices and living expenses, and their modification in the light of increase which occurs in the latter.

15. Attention to production incentives of various types and their linkup to actual performance rates.

16. A raise in the one-quarter reduction in allowances stipulated by Law 30 for the Year 1967.

Self Sufficiency in Food and Clothing

Fourth: in the realm of directing production to serve the policy of self sufficiency in food and clothing:

1. Increased attention to agricultural lands and their protection against infringement by construction, except in areas where that is permitted, or by grading, and final prohibition of construction on agricultural land in governorates which have extensions into the desert.

2. Promulgation of a specific schedule for the reclamation of new agricultural land in order to expand the agricultural area in a manner corresponding to the population increase.

3. Expansion in the establishment of combined agricultural projects on reclaimed lands where additions will be made to farming by agricultural and livestock product processing.

4. Review of the crop structure of agricultural land to realize optimum exploitation of it.
5. Vertical expansion of agriculture in a manner whereby agricultural output will realize the highest possible yield.
6. Keeping exports of agricultural food products within the narrowest limits to provide local market requirements.
7. Attention to the cultivation of major food crops such as wheat and corn in order to protect the nation and citizens from world price fluctuations in these essential crops.
8. Development of fish resources through expansion in the establishment of fish farms and increased attention to natural lakes, on grounds that they are a major source of fish resources.
9. Attention to agricultural guidance and provision of good productive strains of farm animals and poultry to growers.
10. An effort to establish consumer cooperative complexes in all population and labor concentrations.
11. As regards the financing of development projects, the conference has observed that foreign loans constitute a heavy burden on the domestic economy, and the conference therefore recommends the following:
 - A. Promulgation of rules for the process of borrowing from abroad and reduction of loans for consumer purposes.
 - B. Use of loans which are not now being disbursed for projects on self-sufficiency in food, because they are projects with vital necessity and rapid payout.
 - C. Base reliance on fulfilling our needs for foreign currency for purpose of self sufficiency in food through reliance on domestic efforts. This will require encouraging Egyptians abroad to remit their foreign currency savings by creating investment channels in which they will participate or savings deposits to serve the objectives of self-sufficiency in food and clothing.
12. Intensified surveillance over import operations, especially as regards food-stuffs, in a manner guaranteeing that there is no inflation in prices for these commodities.
13. Guidance of the goals of free zones so that these will be oriented toward production rather than toward drowning the market in consumer or luxury goods.
14. Encouragement of local production and protection of it from unequal competition with foreign products. This will require the following:
 - A. Promulgation of restrictions on imports of foreign goods for which similar domestic goods exist or a rise in their customs tariffs.

B. Intensified surveillance over operations of smuggling from free zones, since smuggled goods which do not incur customs duties are to be considered serious competition for domestic goods and will damage the domestic economy.

Sa'd Muhammad Ahmad gave the following statement at the beginning of the concluding session of the conference:

Here is the text of it:

When the General Federation of Egyptian Workers' Unions called for this conference, it did so out of an appreciation on its part for the importance and gravity of the stage our country is going through, that of transition from a war economy to a peacetime economy. This stage has its characteristics, goals, and requirements. The federation also sent the invitation in keeping with traditions it has followed which arise from its belief in its responsibilities, on grounds that it is the legitimate representative of the Egyptian working class on whose efforts, cooperation and consciousness the future of the process of development which we are all working for depends.

The halls of the four committees which branched out from the conference have observed a noteworthy type of constructive dialogue and frank discussion which give clear proof of the consciousness based on understanding which representatives of the workers' union movement enjoy and the good spirit which was manifested among the brothers and sisters who came as delegates of the ministries, authorities and organization, which the General Federation was also anxious to have participate in its conference. Perhaps a good phenomenon has distinguished this dialogue; the people of the working class were not just talking with their own tongues or speaking in the name of Egypt, since they constitute the broadest sectors of this society to which they are honored to belong. These are all facts which are revealed and emphasized by the recommendations or proposals which the conference committees concluded with.

The federation offers thanks to everyone who contributed to the actions of this conference through technical and administrative preparation, discussion and debate, and it also bestows thanks on the brother and sister representatives and the media. Our colleague Ibrahim Shalabi, secretary general of the conference, will read out to you the recommendations which, we hope, on behalf of our beloved country, will find their way to implementation and attainment.

May God grant us all success in what is good for our beloved nation.

11887

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THE PUBLIC SECTOR

DELEGATE TO LABOR CONFERENCE SUMMARIZES MOOD

Cairo AL-'UMMAL in Arabic 10 Nov 80 p 5

[Article by 'Abd-al-Mughni Sa'id: "The Pulse of the Working People at the Workers' Federation Economic Conference"]

[Text] Perhaps the most important prominent feature of the economic conferences organized by the General Federation of Workers' Unions of the Republic of Egypt was the vitality and warmth which suffused the popular or mass character of its discussions and resolutions. I was given the opportunity to take part in all these conferences and in their vitality and warmth I always found a great pleasure whose likes I have not felt in many scholarly and international conferences which I have participated in over more than 30 years. No wonder, for, if the workers debate economic and social matters, they are debating daily bread, the level of life and the future of their children. They are rising up to deal with the actual problems which they face from time to time and are actually going through.

Egypt and the Peace Economy

At the latest conference of the Federation of Workers of the Republic of Egypt, which was devoted to the issues of development and production in the peacetime economy, this phenomenon appeared most clearly in the general atmosphere of the conference and the discussions in its committees. Indeed, it extended to the economic thinkers who took part in its activities, and, in their review of their research we sensed a bitterness which spoke of the pulse of the working people; in their discussions they were more of the masses than they were academicians, which brought the conference out of the labyrinths of theoretical dispute and caused it to pursue a straight practical approach. It is worth pointing out that this feeling also extended to Dr Fu'ad Muhyi-al-Din, the deputy premier, who inaugurated the conference by delegation from President Anwar al-Sadat, and the pulse of the working people appeared clearly in his speech. As we were in the reception hall before he went to the conference auditorium, we reminded him of, and remembered along with him, the memories of the young man's struggle when he was a member of the National Committee of Workers and Students in the forties, and his eyes glistened, the vitality of youth returned to him and a broad smile suffused his face. His inaugural statement was a strong concentrate in which he referred in particular to the importance of the public sector as the point of departure for development and its fundamental basis in the wartime and peacetime economy both.

Liberation of Companies from Restrictions

In the light of the questions raised concerning the public sector, which fluctuated from developing and supporting to reducing and weakening it, the public sector occupied central place in the conference discussions and resolutions. This was not restricted to the first of the conference's committees, which was devoted to public sector issues; rather, it extended to the other committees of the conference, especially the Committee to Evaluate the Liberalization Policy and the Committee on the Role of the Workforce in Production. The fact is that the resolutions the conference made on reducing and supporting the public sector clearly and decisively warned of the gravity of the notion of holding companies and the injurious negative results which would arise from the notion if it was applied. This type of company basically centralizes money and management and causes public sector companies to lose their intrinsic nature and freedom to act, while what is desired, contrary to that, as the conference recommended, is the liberation of the public sector companies from restrictions and a direct supervision which has reached the point of control.

Allocation of a Budget for Repair and Renovation Operations

The conference also recommended that it was necessary to set out a system which would guarantee that the companies could retain the surpluses they realized to use in achieving the goals of replacement, renewal and expansion, thus facilitating replacement and renovation operations through intrinsic resources. While these operations were obstructed or faltered in previous years, that may be attributed to the failure to include the necessary adequate allocations for them in company budgets and the general budget; the surplus would go to the state budget and no specific percentage of it would be allocated to renovation and maintenance activities, which were neglected and not given the necessary attention as a result of the concentration by people responsible for economic policy on horizontal expansion and an excessive pride in the establishment of new construction materials and implementation of new projects — at a time when planning principles and sound economics made it mandatory to preserve a balance between horizontal expansion on the one hand and vertical expansion and maintenance on the other, failing to establish new productive units in an industry until ascertaining that existing units were operating at full capacity and at maximum level of competence.

Administrative Restrictions and Negative Features of the Public Sector

The public sector has its positive and negative features, and the conference discussed the negative and positive ones together. The general drift of the discussions was that most of the negative features are not attributable to the nature of the public sector itself but basically to administrative restrictions and the weakness in the level of higher management, that the remedy for most of these negative features does not call for financing so much as for sound thinking and proper conduct, and that the money which replacement and renovation require can be arranged through foreign credit facilities or by increasing capital and putting extra shares up for public subscription. The notion of selling public sector company shares is to be ruled out in form and substance, because the process is one of developing and supporting, not of selling — or, more frankly, it is not a

process of having the private sector own any stock, which is totally different from having the private sector participate in the financing of new expansions.

No to Development Which Will Remove Economic Units

The resolutions of the conference in this regard were decisive, explicitly recommending that any approach to remove one or more public sector units and sell them, or have the private sector participate in them, is to be rejected. Therefore the conference declared its rejection of the Ministry of Industry draft on development of the public sector because it concentrates on this undesirable approach. The conference supported the resolution which the Executive Council of the General Federation had already taken on this matter and supported the contents of the memorandum of the special committee formed by the council to discuss the Ministry of Industry draft. This memorandum was discussed in the first committee bearing on development of the public sector, and stated that the issue of the public sector is not to be considered among the most important minutes of the conference. The issue of financing is an issue of support and development, and most public sector problems can be solved through economic and technical integration, which will be realized through economic federations of the cartels, (concern) or mother company type, not through the financial dominance of holding companies, which is undoubtedly much more dangerous than administrative control by specific general organizations.

The issue of the public sector is not one of the purchase and sale of stocks -- otherwise the Ministry of Industry would not have had this erroneous conception! The Money Market Authority, that is, the stock market, declared its determination to prepare a draft to develop the public sector through statutes on the sale of stock in its companies. This is indeed a strange and frightful notion!

11887

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THE PUBLIC SECTOR

NEW FISCAL MEASURES PROPOSED FOR PAYING SECTOR DEBTS

Cairo AL-'UMMA in Arabic 8 Dec 80 p 1

[Article: "Immediate Measures To Liquidate Indebtednesses in Public Sector"]

[Text] Dr Fu'ad Muhyi-al-Din, deputy prime minister, declared that the government has prepared two new items of tax legislation with the objective of limiting the consumption of luxury and recreational goods and guiding the consumption of other goods. He stated that the new modification of the current customs tariffs would be issued soon.

This modification is aimed at protecting local industries and alleviating the load on the toiling classes as far as commodities with an ordinary application are concerned.

He also stated that the government had prepared a program to develop the public sector so that it would be empowered to perform its role as a buttress of national development in Egypt.

The first item of legislation is concerned with taxes on consumption and is aimed at combining taxes on output, consumption and price differences, royalties on television, and the holy war tax stipulated for certain commodities into a single tax which will apply to the commodities which had been subject to these various types of taxes.

The second item of legislation is concerned with taxes on luxury consumption with the purpose of limiting manifestations of this consumption.

Dr Fu'ad Muhyi-al-Din said that the government is intending to issue new customs tariffs. In this regard, the various necessary views, observations and recommendations have been gathered on the amendments needed to protect local industry concerns through a gradual escalation on industrial groups in accordance with the volume of industrial activities which have been carried out using primary materials; these modifications are aimed at alleviating the burden on the toiling classes as far as commodities with ordinary applications are concerned.

He stated that public sector development is to be considered a necessity which has imposed itself in the desire to support the sector and enable it to carry out the role assigned to it in the coming stage. Proceeding from that, the objective is to develop the public sector, increase its efficiency by liberating it from

various government restrictions and forms of intervention, give it all guarantees and benefits to enable it to take off, and increase development efforts in a manner bringing the greatest economic return to the society. In this regard, government policy takes the form of stressing the importance of the public sector and the need to administer it on a basis of separating ownership from management while applying the principles of independence of administration and the economic use of its various units in the field of financing, pricing, labor or wages.

He mentioned that the government believes in the people's right to follow up on and evaluate the performance of the public sector. Proceeding from that, the government's program is based on adopting immediate measures to liquidate public sector indebtednesses, tabulate idle capacities, strive to exploit them with the objective of increasing production, and reorganize the public sector by establishing some holding companies with several companies subordinate to each in accordance with technical or regional considerations.

In the context of that, the government will perform a followup and evaluation of the performance of the public sector in continuous fashion in the light of price trends, on sound technical and economic bases.

11887

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NEW COLLECTIVE BARGAINING TECHNIQUES APPLIED IN SECTOR

Cairo AL-'UMMAL in Arabic 15 Dec 80 p 5

[Article by 'Atif Husayn: "Pioneering Experiment by al-Qalyubiyah Workers' Federation: Collective Negotiations — in the Public Sector"]

[Text] A new experiment is being applied for the first time in public sector companies. The experiment is to make group contracts between the union and management in the company; the goal is to increase production in a manner exceeding the production plan and to have the workers acquire a reasonable proportion of the profits from that increase.

The experiment is being led by the Local Federation of Workers' Unions of al-Qalyubiyah under the chairmanship of Ahmad Dassaqi, deputy chairman of the General Petroleum and Chemical Union.

What is new is that for the first time in Egypt this experiment will make it possible for the public sector to negotiate with the management of a company in order to attain profits for the workers from this increase, apart from the system of incentives and profits now in use in the companies and being carried out in the context of the plan.

The question which raises itself is whether the unions will succeed in convincing company managements of this experiment.

AL-'UMMAL brought the question to trade unionists in Shubra al-Khaymah.

We Are Not Interfering in Management

Mr 'Ali al-Manayili, head of the union committee in the Porcelain and China Company in Musturud, says "The real role of the trade union committee inside the company is to raise the level of production — alongside which the level of services will also assuredly rise. In reality, the technique of collective bargaining can be applied in the company. It will undoubtedly increase production and raise the level of the company. Collective negotiations are not an interference on the union's part in the higher management of the company. Consequently, they must not take matters touchily, and must be confident that the union is sharing with them in bearing responsibility."

Mr al-Manayili goes on to say, "The company's sales figure is 850,000 pounds a month. That can rise to 1 million pounds a month when we apply the draft of the

proposed agreement. In this instance, the company will benefit by increasing its output and the workers' income will also rise, once they have acquired a share of the increase they have realized for the company. That will equal 10 days' wages per month for each worker.

"Application of this proposed system basically depends on the extent to which the chairman of the company, the section heads and the factory managers are won over. As for the workers, they will respond to any instructions the union committee issues to them concerning any production increase."

Kamal 'Umar, head of the union committee in the Cairo Silk Textile Company, states "This recommendation will result in the growth of national income at very high rates. The government is in the most extreme need to apply this sort of recommendation. It will also bring benefit to the workers and the company."

"The success of the experiment will depend on the allegiance of the workers to the company they work in, the supply of raw materials in a manner guaranteeing continued operation, promulgation of a sound plan in accordance with actual capacity, determination of fields of specialization in a manner guaranteeing that they do not conflict, and in addition the renewal of management through competent young people and the serious, effective participation of workers in management."

Kamal 'Umar also said that production in the company could be increased by 20 percent over the plan in the event the new experiment is carried out and that implementation would lead to many benefits. The worker will benefit in his capacity as a producer and in his capacity as a consumer, the government will benefit, and the company will benefit.

Production Will Exceed the Plan!

Ahmad Ahmad Yusuf, chairman of the General Jute Products Company union committee and vice chairman of the Local Workers' Federation of al-Qalyubiyah, stresses that this notion is worthy of attention and that the workers actually are able to increase production in a manner exceeding the plan. It actually happened that the company workers realized a 10 percent increase in the plan set forth in 1979, and the workers are also able to increase more than that.

This is also stressed by Nasim Mustafa Ahmad, member of the Machinery and Equipment Company trade union committee and member of the Local Workers' Federation of al-Qalyubiyah. He said that if this experiment is applied to the company, it will realize its goals in full. It is possible that this agreement will raise production rates in a manner exceeding the plan, bringing them from 5 to 6.5 million pounds a year in the event management commits itself to providing the wherewithal and components for production.

Collective Participation is the Hope of the Union Movement

Tal'at 'Abd-al-Khalig al-Talawi, secretary general of the Local Workers' Federation of al-Qalyubiyah, says "If it is foreordained that this experiment will see the light, it will truly be established that the trade union movement is a conscious one, aimed at helping to increase the domestic economy for the sake of

serious work. Management must offer all possible facilities to make this experiment succeed. It is necessary to provide raw materials and serious maintenance as well as renew and replace machines, to say nothing of training, which is very important because it will create skilled workers who are able to make sacrifices."

Muhammad 'Uthman Khalil, member of the East Delta Mill Company union committee and secretary of the Workers' Federation of al-Qalyubiyah fund, states that the notion of concluding collective contracts between union committees and company managements which are aimed at increasing output will lead to the elimination of the concerns of the masses of workers by increasing their incomes. What is required now is to have workers and managers absorb this notion and sincerely strive to carry it out so that it will realize benefits for the sake of work and workers. Union organization members must take responsibility for making this notion succeed by holding meetings with the labor rank and file to explain the purpose in the experiment, which will realize more production and further raise the worker's standard of living.

Net Profits of the Company and Workers

AL-'UMMAL completed its tour of Shubra al-Khaymah with a meeting with Ahmad Dassuqi Khalil, chairman of the Local Workers' Federation of al-Qalyubiyah and proponent of the idea. He said "This new experiment will support industry in a manner bringing benefits to the government and bringing benefits to the companies and the workers. The fact is that every company has its production plan. This plan depends on numerous factors, among them raw materials, machinery and labor. Through our experience, we can see the possibility of attaining an increase in production and reducing costs in a manner exceeding the plan set forth. What is required from us as unions is to have agreements made between the union committee and the economic unit, in both the public and the private sector.

"The union, with the workers, will commit itself first to achieve a specific rate of production in exchange for a proportion of profits for the workers, and it will thus commit itself before management, which is committed to the system of collective participation; management must provide all resources to achieve the goal of the agreement."

Ahmad Dassuqi goes on to say, "A point worth referring to is that the plan in any economic unit defrays all costs, in the form of wages, insurance, treatment, services and so forth. This means that no increase over the plan will be followed by extra costs, except for the volume of additional raw materials and the depreciation of machinery; the other assets will remain fixed and consequently any increase in the plan will realize an additional profit for the company several times greater than the profit realized within the context of the plan. What the union is requesting is that the workers have the right to it through an agreement with management."

Real Role of the Unions!

Regarding the benefits of the agreements with management, Ahmad Dassuqi Khalil says, "This system will go beyond all the systems in effect within the companies

since each company will retain the incentive and profit system in effect within it; each of these systems will be in the context of the plan, while the agreement will concern what goes beyond the plan. What the workers will realize has no relationship to the incentives or profits they receive from the company.

"More than that, when the union concludes an agreement such as this one, it is making a pact with itself, and the workers it represents must increase production at the rates agreed upon with management. In this event, the union and the workers will strive to hold people who fall short to account in order to achieve what has been agreed upon. Through this agreement the day will come that a union man will go to the management in charge and demand that a worker be held to account because he has fallen short in his work — harming the interests of the job and production and harming the plan agreed upon, and not demand removal of the penalty imposed upon a worker, as is the case now. This is the real role which the unions must perform."

The Minister of Industry Is Receptive

Ahmad Dassuqi adds, "Eng Taha Zaki, the minister of industry, is receptive to the notion of holding collective agreements within public sector companies between union committees and managements, and is hastening implementation, especially since he sees a desire in this step on the part of the Local Workers' Federation of al-Qalyubiyah to develop the public sector and cause it to take off toward horizons for increasing output, since it is aimed at supporting it, organizing it and making it able to stand up to the investment companies."

Ahmad Dassuqi stresses that the great increases which will occur in workers' incomes as a result of this experiment will lead to a suspension in the flight of workers from public sector companies to investment companies.

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CHRONOLOGY OF PRICE-SETTING MEASURES REVIEWED

Cairo AL-AHRAM AL-IQTISADI in Arabic 29 Sep 80 pp 16-21

[Article by Jamal Zayidah: "30 Years of Compulsory Pricing"]

[Text] The day after tomorrow, application of new compulsory pricing for meat will start, following termination of the month of meat slaughter prohibition. This leads us to an important question, which is, will compulsory pricing help solve the problem of the rise in meat prices, in the context of a new compulsory pricing law which for the first time has stipulated that compulsory pricing violations are to be considered felonies, in the context of the new varying economic and social circumstances regarding rates of consumption growth, income levels and government dominance over fields of economic activity?

Today, AL-AHRAM AL-IQTISADI presents a dossier on the development of the application of the compulsory pricing system in Egypt over 23 years during which the government intervened to curb basic commodity prices many times and during which a price planning agency was established, in 1969, then abrogated in 1977. Today, 30 years after the start of the application of the compulsory pricing system in Egypt in 1950 with the issuance of Law 163, has the system achieved its goal, which is to protect consumers with limited incomes?

1957

September: A Serious Plan To Cope with the Rise in Prices

President Jamal 'Abd-al-Nasir has given agreement to a memorandum prepared by the Ministry of Finance and the Ministry of Supply to cope with the continuous rise in prices. The basis of the plan is to stabilize prices at a specific level and establish a supply fund to which the government will allocate profits from all the supply activities it performs with respect both to the commodities it exports and the commodities it imports. These profits total 9 million pounds.

In this manner, the ordinary consumer will not feel the price fluctuation or the tendency of prices to rise; these are the factors which made it difficult for any individual to prepare the budget for his daily life on stable, firm ground.

1958

January: A Ministerial Committee To Stop the Rise in Prices of Essentials

A committee has been formed of the ministers of supply, trade and industry to take measures to guarantee that the wave of price rises in general, and the prices of essentials in particular, will be stopped, by creating a means to define a reasonable profit for importers and local producers after determining import or production expenditures.

The ministerial committee will be fully devoted to its task as soon as possible and will hold its meetings with Dr Kamal Ramzi Istinu, minister of supply.

August: Reduction in Prices of Domestic Cloth

It has been decided to set and lower the prices of 60 categories of cloth (reduction which will range from 7 millimes to 30 piasters per meter) and to set and lower the prices of glass and glass manufactures. The new prices will be in effect as of next Saturday, following the meeting held yesterday which was attended by Dr 'Aziz Sidqi, the minister of industry, Dr Kamal Ramzi Istinu, the minister of supply, and undersecretaries of the two ministries.

1959

May: Decisive Steps to Reduce Prices

Hasan 'Abbas Zaki, executive minister of economy and supply, declared yesterday that the Ministry of Supply is now taking effective steps to increase the production of local goods and provide the raw materials needed by industries by modifying customs duties stipulated for certain important commodities.

The minister said that other measures would be taken to limit the rises in prices of essential commodities, by both setting the rate of profit and by expanding compulsory pricing.

October: A Drop in the Prices of 364 Categories

Dr 'Aziz Sidqi, central minister of economy, declared that it has been decided to reduce the prices of 364 essential commodities at rates of up to 40 percent in some cases. He said, "The ministry has included these commodities under compulsory pricing and has set the sales price of some of them from the factory to the wholesaler, from the wholesaler to the retailer and from the retailer to the consumer."

1960

March: Pricing of Refrigerators, Washing Machines and Radios

A group of commodities produced domestically for which public acceptance has been large have been priced as essentials in accordance with a plan to reduce living expenditures.

Dr 'Aziz Sidqi, central minister of economy, issued five decrees setting prices on Tiger refrigerators, some types of electric washing machines, and categories of radios produced by three domestic companies.

April: The Life Span of Compulsory Pricing

As of yesterday, compulsory pricing in Cairo was 1,100 weeks old. Table 1,100 was issued. This table has been issued once a week since the issuance of the Pricing Law, and each governorate or province has a special table which does not apply to merchants in any other province.

1961

December: Lists of Compulsory Prices for Fish, Vegetables and Bananas

The experiments on compulsorily pricing fish, vegetables and bananas ended yesterday and the prices which are to be in effect from tomorrow were set. These prices can be modified downward but cannot be increased. Dr Kamal Ramzi Istinu, minister of supply, issued a decree authorizing the lists of compulsory prices.

1962

April: Setting of Compulsory Prices on All Agricultural Products

A draft has been presented to the higher agricultural committee setting compulsory prices by ministerial decree on all agricultural products. These prices include a reasonable profit for producers.

The draft also requires that the Consumer Cooperative Organization contract to purchase all the country's output of onions, garlic, sesame and peanuts and sell that to citizens at the compulsory price, provided that the domestic merchants in this case be agents of the organization by commission.

August: New Pricing Includes 900 Categories of Cloth

Dr 'Aziz Sidqi, minister of industry, has issued decrees setting new pricing on about 900 categories of cotton and wool cloth and blankets, which local factories produce. The new pricing applies to the production of 28 industrial firms located in various areas of the republic. The pricing decrees have been conveyed to the Ministry of Supply for publication in their compulsory lists. A special appendix containing the categories subject to pricing is also to be issued in AL-JARIDAH AL-KASMIYAH in the next 2 days.

1963

May: A Committee To Set Prices on Local and Imported Pharmaceuticals

The Ministries of Industry and Health have agreed to form a special committee to set prices of all the imported or locally manufactured drugs put on the market. The new committee will be chaired by chairman of the board of directors of the Gen-

eral Pharmaceutical Organization, with representatives of the Ministries of Industry, Supply and Trade and the General Pharmaceutical Organization as members, with the condition that the decrees of this committee are approved by the ministers of industry and health.

1964

May: Amendments in Supply Pricing

It has been decided to subject cucumbers and olive oil to compulsory pricing for the first time starting tomorrow, Saturday; important modifications have been made in the prices of vegetables, and the decree on the new setting the prices on bananas is supposed to be implemented as of today without modification.

1965

January: All Imported Commodities Are Subject to New Profit Law

Dr Kamal Ramzi Istinu, deputy prime minister for supply and domestic trade, issued a decree subjecting all commodities coming in from abroad to the Profit Setting Law whereby the importer will give notice of the shipments which have arrived and their total import costs up to the arrival of the commodity in the warehouses of the local importer.

As regards commodities produced locally, it has been decided that their prices will be studied in participation with the Ministries of Supply and Industry in the light of the decrees issued by Dr 'Azi Sidqi, deputy prime minister for industry.

October: Subjection of Citrus Fruit to Pricing as of Next Monday

Nur-al-Din Qurrah, minister of supply, has issued a decree subjecting citrus fruit to pricing starting next Monday, 1 November. The Pricing Committee met to discuss the state of citrus fruit this year and set the new prices for the season.

1966

January: Suspension of All Unplanned Price Increases

Yesterday the first meeting was held between members of the Wage and Price Committee headed by Dr 'Abd-al-Mun'im al-Qaysuni, deputy prime minister for financial and economic affairs, and the heads of economic committees in the National Assembly.

The discussions concentrated on a discussion of the ways and measures necessary to prevent spontaneous unplanned increases in the prices of all commodities and to study the reasons for the rises in prices of any commodity.

1967

March: A Decree Pricing Shoes To Be Implemented in 2 Months Was Issued Yesterday

Eng Ahmad Tawfiq al-Bakri, the minister of industry, has issued his decree pricing readymade shoes for men, children and babies, implementation of which is to go into

effect in 2 months of publication of the decree in AL-JARIDAH AL-RASMIYAH. The categories whose price is to be fixed total 54, with the highest price 325 piasters and the lowest price, for common shoes, 105 piasters. The highest price for children is 185 piasters and the lowest 69 piasters.

July: Reduction in Prices of 129 Drugs Produced by Local Firms

Eng Sidqi Sulayman, deputy prime minister and minister of industry, has authorized the decree which Dr al-Nabawi al-Muhandis, minister of health, took to reduce the prices of foreign pharmaceuticals and medical preparations allocated for the treatment of heart, nervous and endocrinal diseases which are produced locally by three international foreign firms, Pfizer, Hoechst and Swissfarma. This decree will be applied to 129 pharmaceuticals and preparations produced by the three companies, and the reduction will range from 5 to 10 percent.

August: New Pricing for Soap, Cooking Butter and Cigarettes

Muhammad Sidqi Sulayman, deputy prime minister and minister of industry, has issued three important decrees related to the organization of cigarette, soap and artificial cooking butter production, setting their prices seriously as of today, on condition that the production of each category be consolidated among all plants and that the private sector be prohibited from producing luxury and toilet soap until it receives permits from the Ministry of Industry.

1968

January: Establishment of a Price Planning Agency To Follow up on Implementation of Price Policy

The Plan Committee, under the chairmanship of Zakariya Muhyi-al-Din, the vice president, is discussing a recommendation on the establishment of a price planning agency to follow up on the implementation of price policy and review the prices of commodities which agencies are in charge of in order to confirm that they are issued within the limits of the policy drawn up by the plan and recommend a pricing policy in a manner which will help attain the economic and social objectives of the development plan and will result in an increase in competence in the allocation and use of economic resources.

1969

November: An Agency for Price Affairs: a Draft To Establish It and Determine Its Tasks

The ministerial committee on industry and prices, at its meeting yesterday under the chairmanship of Dr 'Aziz Sidqi, the minister of industry, decided to prepare a draft on the establishment of an agency concerned with price affairs, which would be issued by, and whose tasks would be set by, a republican decree. It would contain members from industry, supply, the treasury, and planning and would present its resolutions to the ministerial committee on industry and prices under the chairmanship of the ministry of industry.

1971

April: Fava Beans Subject to Pricing; Pricing of Fans and Clocks

Hamdi 'Ashur, minister of supply, issued a decree subjecting fava beans to compulsory pricing on a basis of 12 pounds per ardebb.

A new shipment of electric fans and clocks which has arrived has been priced on a basis of 15 pounds for 8-inch fans, 25 pounds for 12-inch fans, 30 pounds for 14-inch fans, and 35 pounds for 16-inch fans, in addition to clocks, which have been priced at 9 pounds to the consumer.

November: Central Fruit and Vegetable Pricing

The Ministry of Supply is studying a new statute which will result in setting out unified central pricing for essential categories of fruit and vegetables and will be in effect for all governorates without price variations except in transport expenses from the places of production, in place of the current system wherein each governorate sets out its own pricing.

In implementing this project, the minister of supply, Muhammad Marzuban, aims at eliminating fluctuations in fruit and vegetable prices because they are not unified over all governorates. This prompts some merchants to smuggle some categories to governorates where the pricing is higher than in others with the goal of realizing a greater profit. Among the most important categories entering into the context of central pricing which the ministry will set forth are onions, garlic, potatoes, watermelons, grapes and citrus fruit.

1973

March: Comprehensive Studies in Cairo on High Prices of Vegetables and Shortages of Cloth

Comprehensive studies in which the People's and Executive Assemblies of Cairo Governorate will take part are to be made on the reasons for the high prices of vegetables, the failure to carry out compulsory pricing on them, and shortages in cloth allocations, which have become insufficient for local consumption.

Hamdi 'Ashur, governor of Cairo, agreed with Sayyid Zaki, secretary of the capital, and Dr Jalal Bakir, chairman of the people's Assembly, on the establishment of offices to oversee the markets, cover sections with stalls to sell fruit and vegetables and restrict the use of agricultural lands owned by the government to the Egyptian Vegetable Marketing Company, while expanding the use of freezers to cope with sudden shortages, surveillance of the common shirt production plan, and followup on implementation of it so that it will meet the requirements of local consumption at the stipulated price.

August: Review of Prices of 22 Commodities

AL-AHRAM's correspondent has learned that the process of price review which was set forth at the latest meeting of the Council of Ministers will involve 22 main mass

co-commodities. The review will include an investigation into the reasons which have led to a rise in the prices of these commodities between January 1973 and last June.

The correspondent learned that the Ministry of Supply has prepared a study on price changes during this period, and it has become clear that some companies have raised some prices by rates of up to 50 percent.

October: Price Drop Sought in Metal Products

Yesterday Dr Muhammad 'Ali Hasan, minister of industry, discussed the reduction in prices to the consumer for lamps, kerosene lanterns, electrical appliances, vessels and other objects with the representatives of 500 private sector plants producing these goods with the end of putting pressure on production costs or deducting part of the profit.

December: Restudy of the Prices of Some Commodities

At its meeting today under the chairmanship of Eng 'Abd-al-Fattah 'Abdallah, minister of state for followup, the Price and Supply Committee will discuss a number of major commodity prices.

The study will include a review of cheese prices and the committee will discuss the modification of black honey prices.

A study is also underway on possibilities of increasing the per capita share of sugar and tea.

1975

April: The Government Will Not Permit Price Increases

In his meeting with representatives of domestic capitalism and the private sector yesterday, Dr 'Abd-al-'Aziz Hijazi, the prime minister, declared that the government will not permit any increase in basic commodity prices and that it will continue to subsidize and support commodities which common classes require, such as bread, oil, sugar, lentils, beans and cheese.

He said that in terms of exports and imports the basic commodities would remain in the hands of the government and the public sector, while the other commodities would be left to the private sector.

May: Modification of Supply and Pricing Law To Intensify Punishment of Violators

The Council of Ministers at its meeting yesterday under the chairmanship of Mamduh Salim, the prime minister, adopted a number of resolutions to provide mass requirements and eliminate signs of laxity and deviation. Among them was a decree to modify the provisions of the Compulsory Supply and Pricing Law in order to intensify the punishment of violators and exploiters.

1976

May: A Review of Compulsory Pricing Tables

AL-AHRAM's correspondent has learned that the Ministries of Industry and Supply will review the compulsory pricing tables that have been issued for 10 years on all commodities with the objective of stabilizing the prices of essentials and modifying those in which a change seems necessary economically.

July: A Plan To Limit Price Rises

Zakariya Tawfiq 'Abd-al-Fattah, the minister of trade and supply, declared that the ministry has finished setting out a complete conception of consumption requirements in 2000 in the light of consumer tendencies in previous years and expected growth rates.

He said that the ministry had prepared a plan to limit the rises in prices by increasing the supply of necessary foodstuffs in the markets, giving the private sector the opportunity to import meat and poultry, exempting them from customs duties, continuing the policy of providing compulsory united pricing for essential commodities throughout the republic and stabilizing the prices of essential commodities within the limits of the volumes distributed by cards. To this end the government will defray a subsidy estimated at about 413 million pounds.

1977

18 January: Financial Decrees To Cope with the Budget Deficit

Dr 'Abd-al-Mun'im al-Qaysuni, deputy prime minister for economic affairs, has announced fiscal measures which are to be adopted to reduce the deficit in the budget, in a manner preventing inflation and helping to stop the continuous prevailing trend toward higher prices. Among them are an increase in customs duties at rates ranging from 25 to 100 percent on washing machines, colored television sets, automobiles and refrigerators and the elimination or reduction of subsidies on certain goods such as fine flour, corn, sugar, tea, animal fats, rice, textiles except for common cloth, bottled butane and fertilizer.

January: A Plan Aimed at Coping with Automatic Price Rises

Dr Muhammad Mahmud al-Imam, minister of planning, declared at a meeting of the People's Assembly Plan and Budget Committee that it was necessary for us to treat the budget as part of the comprehensive economic problem of the government. The objective in the recent economic measures was to restore equilibrium between domestic and foreign factors. He said that in past years the government had worked unremittingly in its economic policy to take from the right hand and give to the left and that resulted in inflation which came to more than 200 million pounds. It has been necessary to change this principle in favor of the people themselves so that government subsidies of commodities would not seep into the pockets of a limited number of people who were a cause for increased luxury consumption.

June: Review of Price Planning Agency Is Requested

At its meeting under the chairmanship of Kamal Saqr, the Committee on Industry in the People's Assembly requested a discussion on the statement by the minister of industry that the formation of a price planning agency be reviewed and that surveillance of the implementation of decrees issued on compulsory pricing be intensified.

July: Dissolution of the Price Planning Agency

The draft law prepared by Dr 'Abd-al-Razzaq 'Abd-al-Majid, the minister of planning, includes abrogation of the Price Planning Agency, whose place in terms of its rights and commitments will be taken by the Ministry of Planning. The necessary measures will also be taken to transfer to the Ministry of Planning allocations and financial classes allotted to people working in the Price Agency and the statistical sector which were transferred to the Central Statistics Agency in the budget for the fiscal year 1977.

September: Consolidated Weekly Commodity Pricing

Mamduh Salim, the prime minister, declared that it had been decided that the pricing committees would meet weekly and set suitable prices for all commodities, in a manner realizing a reasonable profit for both the wholesaler and the retailer without exploitation and ensuring that the consumer obtains his requirements at suitable prices. It was also decided to establish an office under the chairmanship of the Council of Ministers which would be concerned with rapid approval of state security court verdicts regarding supply cases. In addition, it was also decided that pricing among governorates would be unified so that no accumulation of commodities would occur in governorates with high pricing.

December: A Fund To Cope With Prices

Zakariya Tawfiq 'Abd-al-Fattah, minister of trade and supply, declared that there are projects to establish a fund to stabilize commodity prices in order to protect the prices of necessary commodities from sudden increases. He said that each year Egypt imports 3.5 million tons of wheat to meet local consumption, which exceeds 5 million tons, and that this year the government has allotted subsidies for frozen meat equal to 37 million pounds and for tea equal to 45 million pounds, in the context of the subsidy policy, without infringing on the prices of essential commodities.

1978

January: Removal of 25 Commodities from Pricing

Eng Ahmad 'Izz-al-Din Hilal, minister of industry, issued a decree removing 25 industrial commodities from compulsory pricing because they are abundant in the markets, provided that the prices of commodities produced locally not exceed the prices of commodities imported in order to guarantee that they do not increase in an uncontrolled manner. The decree includes the grant of power to the boards of public sector companies which produce these goods to price them and to continue paying production fees and price differences to the public treasury.

February: Four Rules for Raising the Prices of Commodities which Have Been Removed from Pricing

Companies producing commodities which have been removed from pricing are to commit themselves to four rules on increasing their prices. The first of these is that the goal in moving prices is to cover the differences in encouragement prices with respect to production accessories imported by free currency and to cover the increases in prices for domestic intermediate goods, to keep the local sales price for any commodity from exceeding the cost of importing similar goods and to have the companies continue to pay the production duty or royalties or the stipulated price differences accruing to the public treasury at the price stipulated in the abrogated pricing.

April: The Government Bears 500 Pounds in Annual Fertilizer Subsidies

Mamduh Salim, the prime minister, declared that the government would continue economic and fiscal reform to stop inflation, which is leading to high prices, by increasing output and dropping expenses. He said that the government has paid out \$7 billion the last 4 years in lowering local market prices and that the government is giving each family in Egypt subsidies of close to 500 pounds a year in the form of subsidies on foodstuffs, health care expenditures, housing, education and communication costs.

June: 100 Commodities in Transaction Provided at Set Prices

Yesterday Eng 'Isa Shahin, minister of state for Council of Minister affairs, presented Mamduh Salim, the prime minister, a report on the compulsory tabulation of goods containing more than 100 transacted commodities including basic and imported goods in order to stress application of compulsory prices for these goods and their provision for consumers. These include refrigerators, batteries, cotton spinning, al-Nasr Company cars, air conditioning equipment, pencils, soap, bottled butane, cement, different types of tobacco, paper, notebooks, heaters, lamps, electric washing machines and compulsorily priced foodstuffs.

1980

March: New Steps To Cope with Price Rises

The Ministry of Supply and Internal Trade has started to draw up a new policy to cope with price increases which includes subsidies for central cooperative societies and their branches in the governorates and the societies and their branches in the governorates and the societies which have been established in companies, authorities and organizations to provide the requirements of people working in them in the form of commodities and function as a third executor of commodity distribution alongside the public and private sectors. This year 25 million pounds have been allocated to lending to these societies and financing them at 3 percent interest.

May: The Wage and Price Council

The Ministerial Plan and Production Council under the chairmanship of Dr Hamid al-Sayih, minister of economy and foreign trade, is examining a memorandum by the Nation-

al Party Secretariat General on the establishment of a wage and price council and means for limiting price increases.

June: A Pricing Committee for Each Governorate

The Ministry of Supply has finished preparing the draft of a law requiring that a pricing committee be established in each governorate by decree of the governor and that a higher committee be formed by decree of the Council of Ministers under the chairmanship of the minister of supply which will be concerned to set forth rules to prevent deceptive practices. This will have the goal of raising the prices of goods and commodities and setting profit rates or modifying production costs and specifications corresponding to those whose price is set in a manner exceeding the set price or modifying production costs, specifications, packaging and names in a manner leading to a rise in prices.

The committee will also be concerned with recommending matters that will result in fighting inflation.

Violating Compulsory Pricing Becomes a Felony for the First Time

Implementation of the new compulsory pricing law has started. Offices of the state security prosecutor have been formed. The first task of the law and the office of the prosecutor will be to implement President al-Sadat's directives bearing on re-establishing equilibrium in the markets and putting a stop to the greed of some merchants who are speculating in shortages and realizing fantastic profits at the expense of ordinary consumers.

The new compulsory pricing law stipulates that the minister of supply may order shops to be closed administratively for a period of up to 6 months if the merchant violates the provisions of the law and sells at prices in excess of the pricing. The minister will also have the right to deprive that merchant of his share of commodities and abrogate any contract concluded with him if he is convicted by a penalty restricting freedom for one of the crimes set forth in the Pricing Law or the decree implementing it.

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GOVERNMENT-CONTROLLED PRICING SYSTEM

NEW PRICES SET ON ALL FOOD ITEMS

Cairo AL-AHRAM in Arabic 10 Dec 80 pp 1, 6

[Article: "Pricing on All Foodstuffs To Protect the People And Eliminate Price Chaos"]

[Text] Mr Ahmad Nuh, the minister of supply, has announced that the ministry is preparing an integrated plan to protect the masses from greed and eliminate the price chaos which some merchants are imposing. Foremost among the commodities whose prices will be set are poultry, eggs, cheese, milk, bastirmah and other basic goods.

The minister added at a joint meeting prepared by the National Party Committees on Self Sufficiency in Food and Supply yesterday that the pricing will encourage producers since there are large excesses in the prices of many commodities which represent a burden on the consumer, exceeding the real value of the commodity and lawful gain. The price of eggs has risen to more than 9 piasters and the merchants get more than 2 piasters for them. The price of a kilogram of bastirmah has gone to 4 pounds, white cheese to 150 piasters, and Balkan cheese to 3 pounds. He said, "When the government exempted foodstuffs from customs duties, it did not mean that greater profits should be reaped by the merchants but that the consumer's supply should be alleviated. When merchants raise the price of a commodity they never lower it. We as a party must stand up to the phenomenon of the blatant rise in prices of commodities to carry out the directives of President Anwar al-Sadat."

He said that the pricing on bananas would be issued in the next few days to cope with the great rise in prices.

Mt Ahmad 'Abd-al-Akhir, chairman of the Committee on Self-Sufficiency in Food, declared that the Agriculture and Irrigation and Supply Committees would hold a meeting in coming days to study the pricing of various vegetable, fruit, citrus, dairy product commodities and foodstuffs and set forth a complete pricing strategy which would take the interests of merchants, consumers and producers into account.

The two committees discussed the excesses in the sales prices of bananas, which reached the point where merchants realized gains of 100 percent at the expense of the consumer in spite of the increase in areas planted with bananas. The two committees recommended that bananas be priced in three periods, the first from October to December, when a kilogram with less than 12 units will be sold at 33 piasters per kilogram.

The second period will go from January to May; then a kilogram will go for 30.35 piasters.

In the third period, from June to September, a kilogram will sell for 29.32 piasters.

11887

CSO: 4802

GOVERNMENT-CONTROLLED PRICING SYSTEM

VARIOUS CONSUMER PRICE INDICES REVIEWED

Cairo AL-AHRAM AL-IQTISADI in Arabic 17 Nov 80 pp 27-31

[Article: "Study of the issue: Indices of Prices in Egypt"]

[Text] The problem of living is the problem of the economic consumption of goods and services. It is a problem whose severity increases with people's constantly increasing desires and needs, and their desire to satisfy them.

From the consumer standpoint, goods and services may be broken down into commodities necessary for preserving the natural identity of the individual, which include food, clothing, housing, fuel, lighting, health and educational services, then social services, and other essential commodities in descending rank, then various luxury goods.

Because basic goods and services occupy first place in the family budget, and the Central Agency for Mobilization and Statistics offers this study on the indices of the hikes in the Arab Republic of Egypt, this study shows us where prices have risen in the map of consumption in Egypt.

Indices of Consumer Prices in Urban Areas

Table One shows the indices of consumer prices in the urban areas of the republic in the period 1967-8 to 1980.

Table One Consumer Price Indices in the Urban Areas of the Republic (1966-1967 equals 100)

Year	General Figure	Food and Drink	Housing and Accessories	Furniture and Manufactured Consumer Goods	Clothing and Cloth	Transport and Communications	Medical, Cultural and Social Expenses	Personal Expenses
1967-8	102.0	99.1	105.7	100.9	100.7	112.0	103.5	108.2
1968-9	106.1	103.6	108.5	101.9	99.3	119.5	108.0	114.4
1969-70	109.3	109.1	109.1	102.3	96.3	119.8	108.6	114.4
1970-1	113.6	117.0	108.7	101.5	96.8	119.8	113.2	114.4

Year	General Figure	Food and Drink	Housing and Accessories	Furniture and Manufactured Consumer Goods	Clothing and Cloth	Transport and Communications	Medical, Cultural and Social Expenses	Personal Expenditures
1971-2	116.3	120.8	108.5	104.5	97.2	120.5	117.3	114.6
1973	112.4	130.8	105.8	113.3	97.9	121.7	121.2	115.0
1974	135.7	152.9	106.5	124.2	105.9	123.1	126.2	117.3
1975	148.9	171.5	107.6	136.7	122.0	122.9	137.6	123.8
1976	164.2	196.8	109.8	145.3	134.7	145.3	142.7	127.5
1977	185.1	225.0	109.4	172.7	149.0	144.9	169.5	132.7
1978	205.7	246.5	110.1	225.2	176.6	145.1	200.2	149.9
1979	226.0	264.9	112.7	246.2	187.7	185.6	238.3	182.2
1980	267.9	327.9	116.1	277.3	187.8	193.9	269.8	210.7

*[sic] Preliminary data consisting of the simple computed average of the first 8 months of 1980.

From the table the following facts are evident:

The rise in the general index in the urban areas of the republic in 1980 to 267.9, thus recording an increase of 167.9 percent over the base year (1966-7 equals 100). This may be attributed to the big increase in figures for the food and drink section; this section accounts for more than 50 percent of total general expenditures.

The rise in food and drink to 327.9 in 1980, recording an increase of 227.9 percent over the base year. One can refer to Tables Five and Seven to follow up on the changes by groups in this figure.

A rise in figures for clothing and cloth to 277.3 in 1980, recording an increase of 177.3 percent over the base year. A rise in the figure for medical, cultural and social expenses to 269.8 in 1980, recording an increase of 169.8 percent above the base year. This may be attributed to the great rise in the group of other services as represented by barber and clothes ironing services.

A rise in the figure on personal expenditures 210.7 in 1980, recording an increase of 110.7 percent over the base year.

The figures for housing, housing accessories, furniture and manufactured consumer goods and transport and communications for 1980 rose by 16.1 percent, 87.8 percent, and 93.9 percent over the base year respectively.

From this table it is clear that the general index for urban areas in the republic rose to 267.9 in 1980, a rate of increase of 167.9 percent over the base year. This table also shows that the rates of annual change in the general figure in the years following the base year up to 1973 ranged from 3.9 to 5.2 percent but following the October war, and in 1974, the rates of change began to turn toward a constant increase, ranging from 10.9 percent in 1974 to 18.5 percent in 1980.

The Effect of the Increase on the Figure for Food and Drink on the General Figure

Table Three shows the rates of change in the figure for food and drink in the period from 1967-1968 to 1980 and its effect on the general price index in the urban areas of the republic.

Table Two: Rates of Change in Consumer Price Index in Urban Areas of the Republic (1966-77 equals 100)

Year	General Figure	1966-7	1967-8	1968-9	1969-70	1970-1	1971-2	1973	1974	1975	1976	1977	1978	1979	1980
1967-8	102.0	2.0													
1968-9	106.1	6.1	3.9												
1969-70	109.2	9.2	6.7	2.8											
1970-1	113.6	13.6	11.4	7.2	4.0										
1971-2	116.3	16.3	14.0	9.7	6.7	2.4									
1973	122.4	22.4	20.0	15.4	12.1	7.7	5.2	10.9							
1974	135.7	35.7	33.0	27.9	24.3	19.5	16.7	21.7	9.7						
1975	148.9	48.9	46.0	40.3	36.4	31.1	28.0	34.3	21.0	10.3					
1976	164.2	64.2	61.0	54.8	50.4	44.5	41.3	47.6	36.4	24.3	12.7				
1977	185.1	85.1	81.5	74.5	69.5	62.9	59.2	51.6	38.4	25.2	11.1				
1978	205.6	105.6	101.6	93.8	88.3	81.0	76.8	68.0	51.5	38.1	25.2	11.1			
1979	226.0	126.0	121.6	113.0	107.0	98.9	94.3	84.6	66.5	51.8	37.6	22.1	10.0		
1980*	267.9	167.9	162.6	152.5	145.3	135.8	130.4	118.9	97.4	79.9	63.2	44.7	30.3	18.5	--

* Preliminary data consisting of simple calculation of the average for the first eight months of 1980

From this table, it is clear that the index for food and drink in urban areas of the republic rose from 99.1 in 1967-68 to 327.9 in 1980, an increase of 230.9 percent. The rates of annual change during the period 1967-68 to 1973 ranged from 0.9 to 8.3 percent; however, these percentages trended toward a great increase after the October war, reaching 16.9 percent in 1974 and 23.8 percent in 1980.

The Effect of the Increase of the Figure for Clothes and Clothing on the General Figure

Table Four shows the rates of change in the figure for clothes and clothing in the period from 1967-8 and its effect on the general consumer price index figure for the urban areas of the republic.

From this table, it is clear that the index for cloth and clothing in the urban areas of the republic rose from 100.9 in 1967-8 to 277.3, a rate of increase of 174.8 percent. The annual rates of increase during the period from 1967-8 to 1971-2 ranged from 0.8 to 3 percent, but these rates trended toward an increase in the following period, reaching 18.9 percent in 1977, 30.4 percent in 1978, 9.3 percent in 1979 and 12.6 percent in 1980.

Table Five: Index for Food and Drink in Urban Areas of the Republic

Year	Food and Drink	Grain and Starch	Dry Beans	Meat, Fish and Eggs	Milk and Products	Vegetables	Fruit
1967-8	99.1	102.1	105.9	89.2	98.7	87.9	104.0
1968-9	103.6	99.1	104.8	99.8	102.9	96.8	120.6
1969-70	109.1	98.9	108.1	115.1	112.4	100.5	120.8
1970-1	117.0	98.9	133.5	126.9	114.4	117.0	130.5
1971-2	120.8	99.0	147.3	134.1	119.9	120.0	128.2
1973	130.8	104.9	119.5	154.5	137.6	164.0	152.6
1974	152.9	119.9	157.2	179.5	163.4	192.3	174.2
1975	171.5	121.3	192.5	211.5	191.4	210.4	193.1
1976	196.8	123.8	209.5	265.1	224.5	237.0	232.8
1977	225.0	130.0	227.9	309.6	254.2	274.7	314.6
1978	246.5	141.1	273.3	319.6	293.4	293.5	361.9
1979	264.9	134.2	291.3	349.7	321.8	329.3	414.5
1980	327.9	187.0	391.0	452.0	361.2	394.1	415.3

It is clear from Table Five that the meat, fish and egg group, whose relative importance is close to 13 percent of general expenses, has had the greatest effect in the increase in the food and drink section, since the index there in 1980 came to 452, an increase of 352 percent over the base year.

This is followed in relative importance by the grain and starch group, representing more than 11.5 percent of general expenditures, where the index totalled 187, an increase of 87 percent over the base year, then the dry bean group, representing about 6.5 percent of general expenditures, where the index came to 391 in 1980, an increase of 291 percent over the base year.

Table Three: Rates of Change in the Index for Food and Drink in the Urban Areas of the Republic (1965-67 equals 100)

Food and Drink	1965-7	1967-8	1968-9	1969-70	1970-1	1971-2	1973	1974	1975	1976	1977	1978	1979	1980
1967-8	99.1	0.9												
1968-9	103.6	3.5												
1969-70	109.1	4.5	5.3											
1970-1	117.0	10.1	12.9	7.9										
1971-2	120.8	18.1	16.6	1.7	3.2									
1973	130.8	21.9	26.3	19.9	11.8	8.3								
1974	152.9	32.0	47.6	40.1	30.7	26.6	16.9							
1975	171.5	54.3	65.5	57.3	46.6	42.0	31.1	12.2						
1976	196.8	73.1	90.0	80.4	68.2	62.9	50.0	28.7	14.8					
1977	225.0	127.0	117.2	106.2	92.3	86.3	72.0	47.2	31.2	14.3				
1978	246.5	148.7	137.9	125.9	110.7	104.1	88.5	11.2	43.7	25.3	9.6			
1979	264.9	167.3	155.7	142.8	128.4	119.3	102.5	73.3	54.5	34.6	17.7	7.5		
1980	327.9	230.9	216.5	200.5	180.3	171.4	150.7	114.5	91.2	66.6	45.7	33.0	23.8	--

Table Four: Rates of Change in the Index for Cloth and Clothing in Urban Areas of the Republic (1965-67 equals 100)

	Clothing and Cloth	1966-7	1967-8	1968-9	1969-70	1970-1	1971-2	1973	1974	1975	1976	1977	1978	1979	1980
1967-8	100.9	0.9													
1968-9	101.9	1.9	1.0												
1969-70	102.3	2.3	1.4	0.4											
1970-1	101.5	1.5	0.6	0.4	0.8										
1971-2	104.5	4.5	3.6	2.6	2.2	3.0									
1973	113.3	13.3	12.3	11.2	10.8	11.6	8.4								
1974	124.2	24.2	23.1	21.9	21.4	22.4	18.9	9.6							
1975	136.7	36.7	35.5	34.2	33.6	34.7	30.8	20.7	10.1						
1976	145.3	45.3	44.0	42.6	42.0	43.2	39.1	28.3	17.0	6.3					
1977	172.7	72.7	71.2	69.5	68.8	70.2	65.3	52.4	39.1	26.3	18.9				
1978	225.2	125.2	123.2	121.0	120.1	121.9	115.5	98.8	81.3	64.7	55.0	30.4			
1979	246.2	146.2	144.0	141.6	140.7	142.6	135.6	117.3	98.2	80.1	69.5	42.6	9.3		
1980	277.3	177.3	174.8	172.1	171.1	173.2	165.4	144.7	123.3	102.9	90.8	60.6	23.1	12.6	--

Table Six: In the Period 1967-8 to 1980: Consumer Price Indices in the Rural Areas of the Republic (1966-7 equals 100)

Year	General Index	Food and Drink	Housing and Accessories	Furniture and Manufactured Consumer Goods	Clothing and Cloth	Transport and Communications	Medical, Cultural and Social Expenses	Personal Expenses
1967-8	101.8	99.6	109.1	101.6	100.0	120.8	103.8	104.9
1968-9	105.6	102.8	113.0	110.9	106.7	125.0	106.9	111.9
1969-70	113.5	114.0	112.3	112.6	110.7	125.0	108.9	113.4
1970-1	117.9	120.2	111.4	112.6	112.6	125.0	115.2	112.8
1971-2	117.6	119.1	110.8	114.2	116.1	125.0	118.4	112.3
1973	131.2	138.3	111.8	121.4	125.4	125.0	120.8	112.8
1974	149.6	162.2	116.5	138.0	145.9	125.0	129.3	117.8
1975	167.9	185.4	115.4	160.1	168.5	125.0	138.6	119.1
1976	187.8	211.9	122.9	185.0	189.4	125.0	151.6	120.0
1977	206.7	234.9	111.9	217.8	215.2	125.0	177.0	121.0
1978	234.2	270.6	112.2	240.6	244.7	125.0	201.5	121.8
1979	248.7	284.7	114.7	272.8	275.0	125.0	228.5	130.2
1980	305.9	355.7	134.9	315.4	332.6	125.0	265.5	147.5

* [sic] Preliminary figures consisting of a simple calculated average for the months of January, March, May and July 1980.

This is followed by the milk and milk products group which represents approximately 6 percent of general expenditures. The index in 1980 came to 361.2 or an increase of 261.2 percent over the base year.

Then comes the fresh and preserved vegetable group, in the next place, representing about 3.9 percent of general expenditures. The index for that came to 394.1 in 1980, an increase of 294.1 percent over the base year. Finally, there comes the fresh and dried fruit group, in the next place, representing 2.9 percent of general expenditures; the index for that came to 415.3 in 1980 -- an increase of 315.3 percent over the base year.

What about Prices in Rural Areas?

The general consumer price index for the rural areas of the republic came to 305.9 in 1980, registering an increase of 205.9 percent over the base year, 1966-7. This may basically be attributed to the rise in the food and drink index, which accounts for approximately 65.4 percent of general expenditures.

The food and drink index rose to 355.7 in 1980, thereby registering an increase of 255.8 percent over the base year.

The clothing and cloth index rose to 332.6 in 1980, thus recording an increase of 232.6 percent over the base year.

The indices for furniture and manufactured goods, medical, cultural and social expenses, personal expenditures, housing and housing accessories recorded increases of

215.4 percent, 165.5 percent, 47.5 percent and 34.9 percent over the base year, respectively.

Table Seven: Index for Food and Drink Group in Rural Areas of the Republic

Year	Food and Drink	Grain and Starch	Dry Beans	Meat, Fish and Eggs	Milk and Products	Vegetables	Fruit
1967-8	99.6	101.7	107.8	89.9	94.4	94.5	102.7
1968-9	102.8	91.5	110.0	99.2	103.8	113.3	122.9
1969-70	114.0	109.0	108.6	119.3	114.7	116.3	118.6
1970-1	120.2	111.7	121.1	133.0	118.7	129.0	128.6
1971-2	119.1	106.5	126.7	135.7	122.7	114.3	126.9
1973	138.3	127.1	121.7	158.2	143.2	184.1	142.3
1974	162.2	145.4	160.0	181.9	177.5	194.4	169.6
1975	185.4	151.6	197.1	217.4	221.5	232.6	208.6
1976	211.9	154.0	205.2	280.3	274.3	269.4	239.4
1977	234.9	168.7	221.2	313.3	269.2	297.6	314.7
1978	270.6	222.3	282.1	313.7	344.0	336.1	375.6
1979	284.7	203.3	304.5	350.1	379.0	392.0	423.6
1980	355.7	293.2	350.3	412.8	420.0	419.5	480.1

The index of the grain and starch groups, whose relative importance is 19.8 percent of general expenditures, rose, as is clear in Table Seven, to 293.2 by 1980, an increase of 193.2 percent over the base year, followed by the meat, fish and eggs group, whose relative importance is 14.8 percent of the general expenditures and whose index in 1980 totalled 412.8, an increase of 312.8 percent over the base year, followed by the milk and milk products group, with an importance of 8.3 percent of general expenditures, whose index in 1980 totalled 420, an increase of 320 over the base year. This was followed by the dried bean group, with an importance of 5.9 percent of general expenditures, whose index in 1980 came to 350.3, an increase of 250.3 percent over the base year, followed by fresh and preserved vegetables, whose relative importance is 4.2 percent of general expenditures and whose index in 1980 came to 419.5, an increase of 319.5 percent over the base year. Finally, there comes the fresh and dried fruit group, whose relative importance is 2.3 percent; its index in 1980 came to 480.1, an increase of 380.1 over the base year.

The Development and Statistics Agency study concludes by stating that in spite of the great subsidies offered by the government for various consumer goods, in the desire to lighten the burden on consumers, it is clear from this rapid review of consumer price indices in rural and urban areas of the republic that there has been a great increase in prices borne by consumers, and there is no doubt that this rise may be basically attributed to the increase in prices of food and drink groups, in both the urban and rural areas of the republic.

In the last years, while the meat, fish and egg group occupied first place in the increase with respect to vegetables, followed by the fresh and dried fruit group, then the vegetable and dried bean group, we find that in rural areas fresh and dried fruit occupy first place in the volume of increase, followed by the group of milk and milk products, the vegetable group, then the meat, fish and egg group.

As regards the other sections of the index, the clothing and cloth section in urban areas of the republic occupies second place, followed by medical, cultural and social expenditures, then personal expenditures. As regards rural areas, clothing and cloth occupied second place after food and drink, followed by furniture and manufactured consumer goods, then medical, cultural and social expenditures.

11887

CSO: 4802

HIGH WOOD PRICES, FLIGHT OF CRAFTSMEN RAISE FURNITURE PRICES

Cairo AKHBAR AL-YAMM in Arabic 22 Dec 80 p 5

[Article by Samiyah Labib: "Furniture Prices Have Become Insane!"]

[Text] Furniture prices have become insane.

These prices are rising month by month. The public sector has entered into this heated competition with private sector stores and has started importing finished furniture and selling it on the market. The reason for the rise in furniture prices is the flight of technicians abroad, the world rise in wood prices and the high prices of upholstery cloth. Only one solution can lead to a drop in prices and that is the introduction of mechanization into carpentry shops, as in Europe.

Even furniture manufactured locally has started to be sold at double its price. The price of a luxury bedroom totals 2,500 pounds, its price 3 years ago did not exceed 800 pounds. The price of a local dining set which sold for 240 pounds has reached 700 pounds. Thus local furniture has not been safe from the tempest of rising prices.

When the issue of setting the prices of furniture is raised, people say that that is impossible, that is governed by the type of wood by which the furniture is made, the upholstering cloth used, and the volume of the wages of the laborers in it. One type of chair is made with more than one raw material, in more than one shape and is sold at more than one price.

Mustafa Zaki, the general overseer of the Chamber of Commerce, comments on high furniture prices in the markets by stating that the reason for that may be attributed to the broad acceptance and spread of owned apartments. People who can pay from 50,000 to 70,000 pounds for an apartment will not hesitate to pay the same amount to decorate and furnish with the most modern types of furniture and the most famous brands.

Also, mechanization has disappeared or stopped. Many shops still do not agree to buy machines, because of their high price and preference for manual labor. Shops located in the residential areas are not permitted to use machinery, and there is supposed to be a collection of such shops in an industrial area like Madinat Nasr to which machines can be brought.

The Price Race Has Started

Shawqi Qandil, manager of the Chamber of Wood Products Industry, says that the economic liberalization has facilitated the process of importing wood. Here importers from the private sector have entered into competition with the public sector and have started importing wood from abroad at a price lower than that of the shares and specifications they wish.

The importation and display of imported furniture at fantastic prices has made local production also raise its prices to close to the imported price. The series of price rises starts and unfortunately, as the manager of the Chamber of Wood Products Industry says, there are some ways in which imported furniture is introduced without payment of customs and nonetheless sold at exaggerated prices.

Through bids which are held among importers to construct hotels and equipment, much of this furniture seeps into the market. Outfitting hotels with furniture is exempt from customs, and hotels have customs facilities. Many shipments of imported furniture arrive to furnish these hotels and are sold in the markets.

They Acknowledge the Price Hikes

Owners of shops selling furniture manufactured locally admit that there is in fact a severe rise in its prices. al Hajj Muhammad al-Sayyid, a merchant of local furniture, says there are many obstacles which have started to face furniture manufacturing shops, including the constant increase in wood prices; a meter of beechwood, for instance, has risen about 90 percent in price above its level 3 years ago. It sold for 160 pounds and is now sold for 275 pounds. In addition, there is the rise in prices of other raw materials needed to manufacture furniture, such as French and English gold to make gilt sets. The price of a box of English gold was 170 pounds; it is now sold for 300 pounds. There is an obvious rise in the prices of upholstery cloth, and whenever a shortage occurs in some raw materials or ticking, we are compelled to resort to the black market, as happened a few months ago when (jamlakah) disappeared from the market, leading to a more than fourfold increase in its price above the base price at which it is received from the furniture cooperative society."

What adds to obstacles in the way of local furniture production, as Husayn Ibrahim, owner of a furniture store, says, is the flight of technical workers abroad. When they came back, they cannot work for the same wage. The worker raises his wage, and the professionals are the only class whose wage rate increases almost every month, and there is no connection or control over it from any direction. The day worker receives 10 pounds a day.

All this, as Husayn Ibrahim, the furniture store owner, says, has made some furniture and turn to importing furniture from abroad to avoid manufacturing problems.

The Most Common Trade

If this is the opinion of someone dealing in locally manufactured furniture, what is the view of stores selling imported furniture?

Mamduh Shafiz, manager of a furniture display store, says that the most common trade now is the sale and commerce in furniture. Many activities have now been converted into furniture imports, and that is a matter of supply and demand; the market constantly requires furniture. What causes increases in the prices of local and imported furniture is the appearance of a new class of merchants who appear in the market and have a great buying power, the ability to buy at any price.

In addition to that, the high customs on importers is a basic factor in the rise in furniture. Although the new customs tariff appeared a week ago, and a drop has been made in imports of finished furniture imports - having gone to 100 percent after it was 150 percent - a rise has occurred in ticking and some other raw materials at the same time, in addition to import charges and hard currency difference.

Although most furniture shops which deal in imports, as the manager of the furniture display shop says, commit themselves to Decree 119, which is the one on the profit margin, there are some stores which raise their prices on imports. Even domestic production has now come close to that of imports, to the point where the price of a locally made bedroom has risen to 5,000 pounds.

11887

CSO: 4802

GOVERNMENT-CONTROLLED PRICING SYSTEM

AUGUST 1980 CONSUMER PRICE INDICES FOR CITIES REVIEWED

Cairo AL-AHRAM AL-IQTISADI in Arabic 24 Nov 80 p 11

[Article: "The Most Expensive City -- Cairo!"]

[Text] Among all the cities in Egypt, Cairo is the one with the highest prices.

This is not just an observation; it is based on official figures issued by the Central Agency for General Mobilization and Statistics.

The strange thing is that in the towns of Lower Egypt the rates of price increase are uniform, while these rates vary in the towns of Upper Egypt; the lowest rates are in Sawhaj and the highest are in Aswan.

General Consumer Prices Indices in the Urban Areas of the Republic and Various Cities
August 1980 (1966-7 equals 100)

Governorates	August 1979	Indices July 1980	August 1980
Urban areas of republic	229.4	281.1	279.3
City of Cairo	235.0	292.3	292.0
City of Alexandria	232.1	270.2	269.4
Towns of the Canal	224.6	278.4	275.4
Urban areas, Lower Egypt (1)	225.4	278.6	274.2
Town of al-Zaqaziq	224.5	273.5	274.3
Town of Tanta	226.5	281.8	273.3
Town of Damanhur	225.2	280.4	274.9
Urban areas, Upper Egypt (2)	224.3	273.9	271.9
Town of Bani Suwayf	220.0	282.3	277.2
Town of Sawhaj	213.7	257.8	260.5
Town of Aswan	239.3	281.7	278.1

(1) Represents average figure for the towns of al-Zaqaziq, Tanta and Damanhur.

(2) Represents average figures for the towns of Bani Suwayf, Sawhaj and Aswan.

11887

CSO: 4802

GOVERNMENT-CONTROLLED PRICING SYSTEM

BRIEFS

INCREASE IN CONSUMPTION -- The Central Bank of Egypt's annual report for 1979 has pointed out that the volume of ultimate consumption in 1980 is expected to increase by 32.2 percent in spite of government efforts to guide consumption in a manner permitting the redistribution of resources in favor of savings so that reliance on the foreign world to finance the investment plan may be reduced. The report also anticipates a rise in the ratio of fixed investment to domestic product in 1980 to 23.8 percent along with the occurrence of a drop in the deficit of the general state budget for 1980, and consequently a reduced reliance on the banking system to cover this deficit to a level of 18.5 percent. This has contributed to the 29.2 percent increase in government revenues: the total general budget revenues for the year 1980 came to about 6,789,000,000 pounds in 1980, an increase of 1,535,000,000 pounds or 29.2 percent over last year, 1979. [Text] [Cairo AL-AHRAM AL-IQTISADI in Arabic 24 Nov 80 p 11]

CSO: 4802

EMPLOYMENT OF GRADUATING STUDENTS

VARIOUS FEATURES OF DISGUISED GRADUATE UNEMPLOYMENT REVIEWED

Cairo AL-AHRAM in Arabic 14 Nov 80 p 5

[Article by 'Isam Rif'at: "Appointment of Graduates: Discipline of a New Kind Required at the Worksite"]

[Text] The subject of appointing university graduates presented itself again at the highest level when the president recently asked the Council of Ministers to conduct a comprehensive study on that and set it forth for popular discussion.

This is an initiative toward "discipline" of a new kind - discipline in the use of the most precious economic elements Egypt owns, manpower.

We have extravagantly misused the human element. Once, when we let it work outside the borders without rules and guarantees which would ensure the appropriate "price" for it, and thus did not properly use manpower exports.

A second time, when we abandoned the "army" of the state in government offices and bureaus and let it pile up and become inflated, without calculating the "losses" in this use, which by the nature of the situation are massive and great and are known as surplus labor or the inflation in the employment system which is not covered by production, noticeable or otherwise.

A third time, which is more important, when we made education a means for graduating government officials, thus finding ourselves faced with an odd phenomenon, which was the incorporation of youthful forces graduating from our universities and institutes into the manpower existing in the government system, so that two groups appeared before us within this system - the first one, if it is permissible for us to use that expression, an old generation, and the second one the new generation which either resists being enrolled in the current of red tape, and continues to resist, or does become enrolled in it and becomes a part of it.

In the three cases, our losses in the use of the human element must be considered great - or, to use the economic expression, we have caused our economy to lose an alternative opportunity, since it would have been possible to arrive at the best use of the human element, which is labor.

Therefore there is a disruption in the manpower structure. This disruption is directly connected to the issue of the appointment of graduates, since the Egyptian

economy can no longer tolerate a surplus in labor which is incorporated into a massive line and army of government system employees that is in need of productive personnel.

The phenomena of disruption are simply the presence of a surplus in some manpower along with a deficit in specific fields of specialization and skills, which are, specifically, the higher technical professions such as medicine and engineering and intermediate technical professions such as industrial and agricultural technicians, foremen, nurses, teachers and skilled workers. Meanwhile our surplus is concentrated in unskilled workers, untrained workers and administrative and clerical occupations!

In figures, while a group of 780,000 technicians is needed this year, we find that we have just 407,000. In the case of skilled workers, as well, 1.9 million are needed and we find that we have just 1 million workers. As for workers with intermediate skills, we need 3.5 million while what is available is less than 3 million.

Three Messengers for Each Employee!

In the government system, the number of employees is increasing at high rates. It rose from 1.9 million employees in 1977 to 2.2 million employees in 1979, or by 16 percent.

The increase in the number of government employees is concentrated in insurance, defense, security, justice, supply, trade, general bureaus, local assemblies in the governorates, and health, social and civil services.

There is another indicator, which shows the government grades in which the increase is concentrated; the comparison here is between 1977 and 1979.

Figures issued by the Organization and Management Agency state that the growth of positions in special classes is higher than that in the general class; the rate in the former is 37 percent and in the latter 13 percent.

Within the general staff, the inflation is concentrated in positions of undersecretary and above and the positions of university vice presidents, undersecretaries of higher ministries and Grade Two employees.

One obvious manifestation of disruption in the government system is the fact that people employed in organizational, administrative and clerical position account for 20 percent of total general staff employees; their number accounts for 435,000 of the total general staff employees, which is 1.9 million. That is, there are three messengers to serve every employee, approximately.

The Question

If messengers represent one-quarter of the employees in the government staff, why isn't this army immediately transformed into a productive working force through rapid training in vocations in which a severe shortage is being felt, such as those of plumbers, construction workers, carpenters and so forth?

We are deceiving ourselves, or exaggerating, if we decide that the system of general service for university graduates has acquired any success. Real national service would be to transform armies of graduates every year into a productive force. It might be appropriate for us to set forth some conceptions here.

Suspending appointments to the government sector, and restricting them to teaching positions. It is possible that such a suspension could be for a specific number of years, connected to reform in the educational structure.

Organization of "companies" of graduates representing guides for young people in agriculture, assuming charge of the invasion of the desert and the establishment of independent farms operating on the principle of self-sufficiency.

Opening up an opportunity for young people to make an occupational choice, in the sense that agriculture not be the only sector but that young people be directed to other important sectors in terms of the Egyptian economy and in terms of their attainment of better gains and profits than in jobs with fixed incomes.

We must admit that there are no training centers on a high technological level. Here we might mention two experiments, the first at the start of planning, in the early sixties, when technical industrial institutes were established to graduate classes of intermediate laborers, foremen, and engineers' aides and train them for 1 year in Germany. However, because of numerous circumstances, the most important of which was social pressure, the experiment was transformed into a higher institute lacking training, then into faculties resembling engineering faculties, and we lost the link of engineers' aides. The other experiment was in the era of Muhammad 'Ali; the pages of our economic history state that he issued a firman in 1817 in the Bayn al-Surayn area; in that, Article Two stipulated that a vocational training center would be established there and Article Three, which was more important, stipulated that a factory would not be established with more than 50 in Egypt which did not have a vocational training center attached to it.

There no longer is any way to avoid real reform of the government system; the reform must start with respect for working hours, not just on arriving and departing but also in being present between the arrival and departure times. The phenomenon we have all come to perceive is the increased absence from work to perform other jobs and obtain higher wages than the monthly government position's salary.

We have experiences in this regard. For instance, the Central Agency for General Mobilization and Statistics applies a system which requires that employees not be permitted to go out at all during official work hours except in the case of persons whose job circumstances so require, in accordance with a specified "route" and specific output with which he will bring back with him. At the same time, the agency gives every employee the right to obtain a "special exit permit" for a 2-hour period twice a month to carry out private business.

Reform of the government system can come about also by opening the door to people who join the labor army under specific conditions.

The educational system requires a comprehensive change so that it may be placed at the service of the society of producers, not at the service of the government instrument. This issue also requires decisive decisions at the level of decisions on discipline.

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CSO: 4802

EMPLOYMENT OF GRADUATING STUDENTS

TOP OFFICIALS GIVE EMPLOYMENT VIEWS AT NEWSPAPER PANEL

Cairo AL-AHRAM in Arabic 21, 28 Nov 80 p 17

[Article: "AL-AHRAM Broaches the Issue of the Day and Opens the Door to Discussion on an Important Issue: Graduates -- Where and How Will They Work?"]

[21 Nov 80 p 17]

[Text] This time AL-AHRAM is taking the reins of the initiative widely and enthusiastically to open the door to discussion of the issue of the hour, to discuss the new statute on appointment of graduates, in order to guarantee that full use is made of their powers in various fields of specialization and that they are not imprisoned in government bureaus piled high with labor! AL-AHRAM could have waited until new ideas crystallized in a decree with specific details, however, out of belief in its role and mission, it considered it appropriate to broach the issue by inviting an excellent group of officials and non-officials to an objective free discussion in an attempt to arrive at "constructive ideas and views", so that these could be presented to persons making decisions at all levels while they set out the final formula which would not just affect tens of thousands of young people every year and the nature and behavior of the Egyptian family but also would affect the formation of the social and economic structure of all Egypt.

Thus AL-AHRAM began its symposium by presenting its view. From the first moment, words rushed forth, in agreement and opposition, but, ultimately, became cohesive and united, with the aim of drawing up the features of a non-traditional future for solving problems which have been drowned in traditionalism:

AL-AHRAM: Let us start with the minister of state for manpower, in order to ascertain who the graduates are, what their volume and capabilities are, and what his ministry's conception is, if it has arrived at some opinion, with respect to employing them in accordance with the new approach which holds that they should be appointed to not bureaus but to new projects.

Sa'd Muhammad Ahmad: So far, since 1963, we have been committing ourselves to the distribution but not the employment of graduates. For example, this year we have started the distribution of university graduates in the class of 1977 and people with intermediate credentials from the class of 1976. The subsequent classes are still waiting! We are performing this distribution in accordance with the decree of the ministerial committee on services, in accordance with the requirements of

the government and the public sector; we distribute the surplus to local government, which in turn distributes that to the governorates in accordance with the graduate's place of residence. This has created congestion in the government, but the rate of congestion in the public sector is nonexistent or slight. What is important is that through this process, indices of the existence of a deficit in graduates in specific fields of specialization and surpluses in others appear.

AL-AHRAM: What is the volume of the graduates who have not yet been appointed?

Sa'd Muhammad Ahmad: Every year there are about 90,000 to 100,000 higher and intermediate graduates (that is, those who have not yet been appointed number about 250,000). This is what we have done so far. As regards the new approach which the president is calling for, that is very logical; according to the existing picture, we find:

1. Implementation of transitional training programs. This is useful in the short range plan aimed at training the surplus in specific fields of specialization in other required specializations.
2. The need to establish new projects which will seek to absorb large numbers of graduates. These projects could be agricultural, new land reclamation, tourist projects or others.
3. Regarding the long term: It is necessary to link education to the development plan in order to link the market requirements for labor to scientific specializations and various skills. However, who is to calculate the requirements of the market? The Ministry of Planning cannot do this alone. Therefore, a new law has been issued for all employment data, and we are to carry it out in the ministry. We collect data on current and future requirements from the ministries and various sectors, but these sectors, unfortunately, do not have the capability, through their current organization, to give us a sound picture of their requirements. Therefore it is necessary that there be a unit in each sector which is specialized in organizing management and planning labor.

AL-AHRAM: Before the discussion, we will have to learn about the second focal point, which is projects which can absorb graduates. We will turn to the agricultural sector through the minister of state for agriculture and self-sufficiency in food.

Dr Mahmud Da'ud: The fact is that what the president asked for was for our wishes to be realized. In order for us to discuss it and discuss the problem of graduates, it is necessary to realize that the domestic economy in every country has two wings, services and production. Previously we were in an authoritarian system where the government was responsible for production and consequently possessed the means of production and owned all the means of services. Therefore, education oriented itself as well toward the graduation of technicians and specialists whom the government would assign to various sectors. Now, some time ago, we were transformed into a free system where the government leaves the means of production in the hands of the private sector. However, until this notion began, the volume of services, because of numerous circumstances, was greater than the volume of production, and that is what created the problem and led to increased accumulation of labor.

A Fund for Graduates To Be Financed by Projects

Therefore it was necessary to rethink, and, as long as we are orienting ourselves toward free economic planning, that will require the reorganization of the labor market in Egypt. The question is not the projects available, or projects which can be provided, but, before that, how can we create job opportunities in Egypt? In order to respond to that, we will proceed in two directions:

First, orienting education in a manner corresponding to the labor market and its requirements, which is what the Ministry of Education is doing now. (Dr Mustafa Kamal Hilmi presented the plan to develop education at a previous AL-AHRAM symposium, stating that basic education would comprise vocational training programs in accordance with the nature of the environment).

The second approach is the problem of people who graduate from the university and want to work in the government until a place is available for them in the private sector and they can increase their incomes. That is what is happening now in Egypt. I can say that we are wrong if we think only about agriculture and land reclamation projects. This is of concern to a limited group, agricultural graduates, whereas the objective is graduates in all fields of specialization. Moreover, the land reclamation process is limited, since it is not as easy as some people think, and is very costly. However, the land which has actually been reclaimed, which has come to 50 percent of the agricultural productivity which agricultural companies now possess, could be available. It is also possible for the government to give large areas to companies with a high technical level to reclaim, and that will open job opportunities for many people. However, none of that will completely solve the problem. In my opinion, while there are graduates and there is land financing is lacking. Therefore I see the solution in establishing a "fund for graduates" which will finance land reclamation projects for young graduates after they are subdivided and planned, so that an agricultural processing complex will be established on every area of 2,000 feddans, for example, which will be the basis for a new society which will give job opportunities for various graduates. Agriculturalists from the faculties or possessing high school degrees will farm, there will be engineers for the machinery and the workshops, there will be doctors to provide treatment and open clinics, merchants for administration, and so forth. Thus the new society will be based on farming, milk production, livestock raising, agricultural processing, and so forth. This will happen if the fund is established and it gives loans offering a long grace period, 10 years, for instance, to be paid out over 40 years!

AL-AHRAM: Do you consider that these societies will start on land belonging to the agricultural companies?

Dr Da'ud: Anywhere suitable. If we want to start immediately and not appoint graduates in the traditional manner, let us start with that land, then with the new lands, that is, with a short-term plan and another long-term one.

AL-AHRAM: If this creates new towns and societies, what will be the situation in the villages that exist now?

Dr Da'ud : We are preparing a rural development plan, to transfer these villages from areas which expel inhabitants to areas of attraction, to attract young people to stay there and engage in private activities in every field. The plan aims at planning new villages alongside the 4,000 villages that exist now. It is enough to plan and hook up utilities; the young people will develop them.

AL-AHRAM: Excuse the delay in the discussion while we hear the opinion of the minister of tourism, especially as regards the new projects.

200,000 Job Opportunities

Dr Jamal al-Nazir: While the government is now concentrating on services and utilities, it is inviting the private sector to them as rapidly as possible toward productive areas. Therefore it is necessary for us to ascertain the private sector's requirements for specialized persons and professionals. I know that some of the productive units which have been established have not attracted technicians and therefore have taken our "raw" youths and sent them on training missions abroad to return to work in them. Therefore our educational plan now is aimed at covering the shortage which existed in the production structure. However, I am still disturbed because education has not put an end to the flight of young people from rural areas. An effort must be made to stop that because farming is in reality the nerve system of the economy and, if the children of peasants learn then leave the village and the land, who will farm it and stay on it? Will it face ruin if the existing peasants grow old and die? Will the land die if they die? We must find a solution in the new peasant, who goes and builds a new life.

I am emphasizing the type and field of specialization to achieve a better use of human resources, because there is a difference between the type of worker now and the worker in the past. As regards what has been said about planning, I consider talk about that somewhat fantastic, although we have experts who are not available in any other developing country. I am afraid that reliance on planning will not lead to the goal. In my opinion, our problems can be solved in the long run. In the short run, however, it is necessary to concentrate on three areas:

1. Transitional training, as the minister of labor said, by retraining for the requisite occupations. In the Institute of Tourist Training, I have seen a class of cooks including graduates in medicine and farming.

2. If we take the approach of having the state relinquish the appointment of graduates, as is being followed, in my opinion we must only appoint people whom the job really needs, and we will give work to the surplus, but without jobs -- rather, we will train that in jobs or occupations which require labor.

3. The need to give benefits to people who go to develop new regions, such as tax reductions at high rates for projects in these new remote areas, in order to attract young people and others and alleviate pressure on congested areas.

After this, I can state, regarding tourism, that I acknowledge that I realized the extent of its importance only after I became minister of it. It is a massive productive resource and a field for work and labor. It is true that direct labor in it

might be limited, but the indirect labor is unlimited, through a series of fields connected to tourism. We in Egypt enjoy tourist resources which no other country in the world enjoys. Our plan includes the implementation of tourist sector investments which are \$3 billion in size over the next 5 years. The private sector can take charge of them and give job opportunities to about 200,000. This figure will help solve the problem in the short range.

AL-AHRAN: Permit me to make an observation on Dr Majal al-Nazir's statement on the matter of transitional training, regarding his statement that doctors and engineers are being trained to be cooks! It strikes me that that is going beyond bounds! How can a female doctor abandon her profession to be trained to become a cook? This female doctor possesses job opportunities and the field is open to her all over Egypt; it is very vital and very satisfying. Training her to "cook" means that that represents a loss to us a society and a government which has spent money on her so she can acquire a bachelor's degree in medicine and engage in the profession, and finally she becomes a cook! I imagine that transitional training will be for graduates and non-graduates for whose fields of specialization or current capabilities job opportunities are not available.

Dr al-Nazir: I wanted to say that the young people's outlook has changed and that the graduates of faculties are no longer graduating from manual labor.

Dr Mahmud Da'ud: I have a comment on migration from rural areas to the city. This in reality is the focus of the new policy; the number of people employed in agriculture in the United States for example does not exceed 2 percent, but the people who live in rural areas are more than 50 percent of the inhabitants of the country. These societies were based on agriculture; therefore rural development is necessary, in the sense of development of villages. The villages which exist now will cause migration and further unemployment, but real development relies on the creation of new societies and new job opportunities, from the ordinary worker to the graduate.

Sa'd Muhammad Ahmad: Let me go back to the problem of the means for absorbing graduates in productive jobs, and not distributing them in the traditional manner. We set out a practical innovation on the existence of a surplus in some fields of specialization and deficits in others. We do not have a concept of the volume of requirements or the people required for various projects such as agriculture or new lands, or how many they will absorb. People imagine that a graduate in agriculture will receive land which has all the resources!

Young People and the New Land

Eng Anwar al-'Abd: We in Agrarian Reform are considering an experiment to distribute land to graduates. We have allotted 5,000 feddans, half in Maryut and the other half in north al-Tahrir Province. We take graduates ranging from 21 to 30 years of age, 60 percent of whom will be farmers and 40 percent in other specializations (lawyers, accountants, veterinarians, doctors and so forth. The graduate takes part in a training course for 6 months and receives 10 feddans and a home which has a room and courtyard for future expansions, some agricultural implements, and two cows, on condition that he pay 10 percent of the price of the land, 10 percent of the price of the house and 20 percent of the price of the two cows in advance, the rest to be paid in install-

ments over 15 years. Previously, when Dr al-Jabali was minister, we distributed 26,000 feddans in five areas to 15,000 graduates in a number where the university graduate received 30 feddans and the agricultural high school graduate 20 feddans in addition to eight cattle and facilities whose total value came to 6.55 million pounds, in instalments over 20 years.

In general, we are now distributing 5,000 feddans as an experimental project and there are several other thousands belonging to agricultural companies which will be distributed to people working in them who have resigned from the government. There are 15,000 feddans supplementary to the 5,000-feddan experimental project. That is, what is actually being allocated will total 20,000 feddans. In addition, a 5-year plan was approved whose implementation will start next January for the distribution of 400,000 feddans, after that is reclaimed by seven companies and the armed forces which are reclaiming 50,500 feddans. This will absorb large numbers, and new societies will be established.

Participating in the Symposium

Dr Mahmud Da'ud, minister of state for agriculture and self-sufficiency in food; Dr Majal al-Nazir, minister of tourism and aviation; Mr Sa'd Muhammad Ahmad, minister of state for manpower; Dr Mustafa al-Jabali, former minister of agriculture; Dr Kamal al-Janzuri, director of the National Planning Institute; Dr 'Abd-al-Pa'uf Faraj, undersecretary of planning; Eng Anwar al-'Abd, undersecretary of land reform; Dr Mamduh Salih, undersecretary of manpower; Ahmad Fu'ad Najib, professor at 'Ayn Shame University; Mahir Muhammad 'Ali, rapporteur of the Popular Development Committee in the National Party; Dr Fatimah al-Jammal, member of the People's Assembly; Dr Layla Shahhatah, professor of commerce at 'Ayn Shame University; Eng Zayn al-Sadat; chairman of the Graduate Employment Committee of the Popular Development Committee of the National Party; Mrs Nawwal 'Anir, member of the People's Assembly; Kahlid al-Maliki, land reclamation expert; and, for AL-AHPAM, Muhmud Murad.

[28 Nov 80 p 17]

[Text] Where and how will the university graduates work? If we want to liberate their powers, for the sake of further production, innovation and creativity, by freeing them from going into the old framework of red tape and lengthy lines, where, then, will they work? What are the new projects which will absorb their youthful powers and ambitious hopes? Will the government employ them in these new fields or abandon its commitment on appointment, which began in 1963, and content itself with opening horizons so that the graduate's role will start with a search for a job opportunity and a role by which he can produce and assert his role?

The issue is not simple or easy; thus, it is necessary not to deal with it lightly, by brilliant, provocative words or honey-coated promises, but rather with intense objectivity which is conscious of the existing reality, with the vicissitudes of its problems, and look toward the future with rosy dreams which were firmly rooted in reality lest they be transformed into an insane dream!

From this point of departure, AL-AHPAM is bursting into the issue of graduates in an initiative in which it has outstripped all organizations and agencies concerned, not

out of graciousness or the search for a scoop, but out of an objective commitment to its role and mission of dealing with the important issues, among them this one, which touches directly upon the conduct of the Egyptian family and consequently the political, economic and social composition of the society and all Egypt.

This is now AL-AHRAM's symposium began; the first part of it was published last Friday, containing the views of Dr Mahmud Da'ud, minister of state for agriculture and self sufficiency in food, who considered it necessary to develop the rural areas and plan new villages alongside the 4,000 now existing in order to attract young people who have numerous fields of specialization as well as to establish a "graduates' fund" to finance their new projects, especially land reclamation, which will require material and technical effort in order that agricultural processing complexes absorbing numerous specializations may be established and modern societies may be founded. As for Jamal al-Nazir, minister of tourism and aviation, it was his view that surplus people in specific occupations should be trained in other occupations and given such benefits as reduced taxes on new projects in remote areas, and he said that the tourist plan in the next 5 years would make investments of \$3 billion which would open job opportunities for about 200,000 young people. Sa'd Muhammad Ahmad, the minister of state for manpower, defined the problem of university graduates and people with technical high school diplomas; the number of people who have not been appointed in the 1978 and 1979 higher classes, and 1977, 1978 and 1979 intermediate classes, is about 250,000, and therefore the minister requested transitional training in requisite professions by creating productive jobs for graduates and linking education to the development plan. In addition, Anwar al-'Abd, undersecretary of agrarian reform, talked about 5,000 feddans which are currently being distributed, and 400,000 which are in the 5-year reclamation plan. Mahir Muhammad 'Ali, rapporteur of the Popular Development Committee of the National Party, and Nawwal 'Amir, member of the People's Assembly, also spoke, and in the course of their discussions there were interruptions and discussions, and the discussion became heated, before the former minister of agriculture and land expert asked to speak.

Dr Mustafa al-Jabali: We have heard the minister of labor state that the number of higher and intermediate graduates comes to about 100,000 a year. In my opinion, that is a healthy phenomenon; would that it were double! Scholarship is the right of every citizen in Egypt and therefore one must not reduce the number of graduates; however, one must treat the problem at the source by changing their type and level. The basis of the problem is the population explosion which adds about 1.25 million to the population annually and brings 400,000 into the labor market annually, in a country which lives on a limited agricultural area of 5.6 million feddans and is indeed shrinking for numerous reasons. Here is where the problem lies, especially since our economy is not totally free but is "mixed," part of it being the private sector and part public, and will remain so. Therefore the problem became aggravated when the private sector failed to absorb graduates, and we started looking for a solution. How! If we resort to calculating figures, we will find that people for whom job opportunities are required come to half a million a year.

Dr 'Abd-al-Ra'uf Faraj: No, they are just 400,000. They will increase gradually, so that their number will reach 780,000 in 2000; these are the planning expectations.

Dr al-Jabali: That means the yearly average from now to 2000 will be about 600,000 a year. That is, we will need investments of 6 billion pounds a year to employ them! Therefore it is not proper that we look at the problem of graduates apart from the problem of the others of all ages and occupations who enter the labor market every year. We must look at the market as a whole, and we will be mistaken if we say that the graduates have increased and the economy is no longer in keeping with the authoritarian system! I personally graduated from the faculty of agriculture in a class of 70, of whom only seven were appointed; the rest remained without work, suffering from unemployment for more than a year and a half, and at that time, while the economy was not an authoritarian one, it was not growing at a rate which would create job opportunities.

Therefore the problem now is the numbers in excess of the rate of economy growth. Solving this must lie within the context of planning, projects and growth. For example, when I was minister, I thought about establishing model societies on the new lands which would take charge of leading the development of the traditional agricultural sector and absorbing graduates of diverse faculties, but the goal was not so much to solve the problem of unemployment as to develop the Egyptian countryside by creating a model which would give the best guidance technique, because a group of traditional peasants would work with the graduates and would learn the technology and transfer it to their colleagues. For this reason, also, I did not think about the new graduates who were unable to engage in the process at once, but rather people who were practicing and had been trained after resigning from their work, and having new people take their place. Thus we distributed the 26,000 feddans which our brother Anwar al-'Abd mentioned. This must now take place by planning and the use of technology; for us to distribute the land in this manner is not feasible unless we bring back the system of land grants which began in 1939, when the government distributed 40 feddans to each graduate when they lacked jobs. The result was that they all rented the land out to others and subsequently joined government positions!

I reject this approach, because the land is capital and is not the property of the government. We have all contributed to it and we must not spoil the graduate and give it to them without rules or planning which will contribute to development of the national economy, lest he just be a landlord renting it out to others. Then who can, as the current land distribution statute says, pay 3,500 pounds of the cost of a feddan, which is 5,000 feddans? Will the reclamation process keep up with the number of graduates every year, so that land can be distributed to them? If we want to distribute land to just 10,000 people, we will need at least 100,000 feddans. One should bear in mind that the costs of reclaiming a single feddan are not less than 3,000 pounds; thus we will need at least 250,000 new feddans a year up to 2000 and preserve the ratio of the total number of citizens per feddan, which is seven, and that is a very, very massive operation. Therefore, the optimum solution is, as the minister of agriculture said - and I support him in that - to develop the rural areas and 4,000 villages to turn them from areas of expulsion to areas of attraction for young people of every specialization who will work in them and create new agricultural and processing complexes. It is possible that each village or each unit containing a group of villages could specialize in specific production, one for vegetables, another to produce fodder, a third for eggs and poultry, and so on.

Dr Mahmud Da'ud: We are actually preparing a program to develop the rural areas.

Dr al-Jabali: This is the real challenge facing us in Egypt. In this manner we will create job opportunities, and I say finally that as far as graduates go the new ones must be assigned to jobs and the old ones must be taken for various projects, as they have expertise, for further production. If it is necessary to employ the new graduates, or some of them, in projects, it will be necessary to establish a special agency which will take charge of training them and supervising them at the start of their working life.

Where Will We Begin?

Dr Da'ud: I support this and add that there can be no hope of creating new job opportunities for graduates unless the rural sector is developed. The question which preoccupies scholars is, will we first begin by developing agriculture while retaining the traditional societies, or will we develop the village itself? We say that through the efforts we are exerting in agriculture it is necessary to develop the village itself so that it can find people to live in it. Throughout the world, whenever a person is transferred to retirement, he goes to his village, but here, no, because the village is backward.

Dr al-Jabali: I differ with you. The village is not just streets and nice clean houses; it is necessary to develop agriculture first of all.

Dr Da'ud: If we develop the village so that it can find people to live in it, it will find people to develop agriculture through technology, which is what happened in Japan.

Dr Kamal al-Janzuri: In order to determine the scope of the problem which has been set forth, we must realize that the volume of people working in the government and the public sector totals 3.8 million and their wages come to 1.8 billion pounds, 1.1 billion of which are for people working in the government - that is, more than 15 percent of the national income - whereas the rate in big countries like America is no greater than half a percent; out of that sum (1.1 billion), no more than 500 million pounds go to working people (producers and other services), and in the public sector, where the wages are 700 million pounds, about 40 percent is spent on service salaries.

If we analyze the total figure of employees (3.8 million) we will find that about 1 million workers are productive and the rest are not producing! Therefore the important issue is that absorptive productive capacity is very limited; when we discuss it, we always return to agriculture, on grounds that that is the natural fabric of Egyptian society, and consequently it is necessary to create new agricultural societies and it is necessary to reclaim 1 million feddans in 10 years. This is not a wish, it is a necessity, because we consume about 7 tons ^(sic) of wheat a year, that is, 10 percent of world sales, because the whole world sold 80 tons of wheat. How can we carry out the reclamation? Shall we put the burden on the government? Will we put it on the graduates, though they do not know farming, even the graduates in agriculture themselves? Then, by virtue of the current educational system, there is a contract between the government and the graduates containing a commitment to employ the latter and we can be freed from this only in a least 10 years, after we arrange our conditions. So the solution, as Dr al-Jabali said, is that if we

talk about the agricultural sector, in giving land to 10,000 or 20,000 people currently working and actually engaged and determine their allowances so that they can devote themselves fulltime to farming, is it, however, easy for a settled employee to leave his job and go farm new land which does not yield a rapid income? I recommend that he be given land and a reasonable salary on the basis that he give the output from that to the government as part of a comprehensive plan which will provide him with resources and will deed the land over to him after a while.

The same thing holds in other sectors. Instead of a perceptible deficit of technicians, we should conduct transitional training in the vocations and occupations we want and give the graduate a suitable wage, after he has been trained. This means that I am asking for an increase in productive capacity in order to absorb the existing people, and there is no use in discussing graduates aside from this -- rather, the issue of the village will not be solved through the reconstruction of the village but by development and production.

Ahmad Fu'ad Najib: I am against the traditional thinking which holds that an individual will leave only after the wherewithal for his comfort has been provided; this must change. Necessity is the mother of invention and demand always precedes supply. If we find anyone who will embark on the process of developing the village, he will do it himself. All that is needed is to give him water, electricity and drainage alone.

Dr Da'ud: We do not disagree. We just say through planning, the linkup of utilities and services; in this we are thinking not traditionally but in a practical, pragmatic fashion. I cannot urge a young man who lives in Cairo and tell him, Go to the village, son.

Ahmad Fu'ar: And be able as a government to build 4,000 villages.

Dr Da'ud: I must be able to. The people who are now emigrating from the countryside to the town are at least 50 percent of the people born there. Thus all expenditures on the village are aimed at Egypt's future, and if you spend 2 billion pounds a year to develop 20 or 30 villages, we will gain, not lose; without that, you will have to expect the population of Cairo to reach 20 million, and that is awful!

Ahmad Fu'ad: This cannot come about by making the government bear all the expenses.

Dr Da'ud: I am not saying that the government will build houses, but for example that we should take 50 feddans alongside a village, plan them, provide them with utilities and services so that they will be a model for development and evolution, then open them up to anyone who wants to work in them and carry out the projects in accordance with a specific plan.

Khalid al-Maliki: To comment on Dr Layla's statement, I should say that the cooperative system has failed and that the optimum solution is in the private sector and the system of private companies. For instance, if a number of young people take a plot of 5,000 feddans then a specialized company must take charge of managing it to reclaim it, earn and acquire others, provided that a company be made up of the individuals. If each of them gets a loan of 300 pounds from the government, this loan will

represent a share, and the managing company will pay out the remaining sum for the process of reclamation and management. If the graduates pay a million pounds, the company will pay four which will cover operating expenses, and I believe that the companies will be better able to produce.

Dr Da'ud: I am totally against this. This kind of system has no equivalent anywhere in the world. Rather, I support the system of cooperatives on a sound basis to create advanced civilized societies.

Thus the discussion went on at AL-AHRAM's symposium, through which the issue of the hour was penetrated; last Friday the door was opened wide to the issue of the graduates, with all its dimensions and consequences. While AL-AHRAM assumed the reins of the initiative, the issue, in coming days, will witness numerous discussions which will be held by constitutional, official and popular organizations in order to arrive at the best and most appropriate method for the future of Egypt, as we turn over a century of time and look out over the brink of a new coming century charged with progress and hope.

The Solution Is Also in Development of Industry

The solution to the problem of graduates, in the view of Dr Fu'ad al-Qadi, research director at the Chemical Secretariat at the Ministry of Industry, can be summarized by linking education to the requirements of the development plan and multiplying investment rates by amounts which will permit absorption of the growth in labor. In the industrial sector, it is necessary that the rate of growth of fixed capital be not less than 8 percent, which will be realized only through concentrated efforts in the sphere of transformation industries, while encouraging small industries to provide numerous job opportunities for thousands and linking the problem of labor with idle capacities in the productive sectors. It will be possible to increase the labor in industry by operating numerous shifts; in spite of the results derived from that in terms of marketing and the social system, it was applied in Poland and absorbed 48 percent of the increased labor and 59 percent in Hungary. Then there is the retraining of graduates in the requisite occupations, the granting of tax exemptions to companies and projects in accordance with the labor they absorb, and a review of the current wage system.

Dr al-Qadi agrees with Dr al-Janzeni on giving a transitional period before turning away from the current system of appointing graduates, in spite of his reservations about it.

Dr Layla Shahatah, commenting on the minister of tourism statement (which was published last Friday) on planning, said "I am expressing my opposition, because without planning it is not possible for any idea to emerge into the realm of application. For example, the idea presented to us requires the creation of new job opportunities, the establishment of new societies, the determination of good use of human effort, and reciprocal use of people as the nucleus of the society which must be built economically, and of society, in order that it may achieve benefits for itself and develop. In my notion, the basis for realizing these goals is management which sets out a scientific plan which seeks a point of departure regarding the projects we want. In my opinion, a project like land reclamation involves high capital costs

in providing production and service requirements, and it is not reasonable for us to send graduates to a society which lacks the basic circumstances for living. Therefore it is necessary that the government do this by providing these circumstances. If we want the private sector to participate in it, here I am in agreement with the minister of tourism on the need to grant it benefits, such as tax exemptions or reductions, and this applies to the reclamation of land, development of rural areas or projects in remote areas. If we do this, we will be creating areas of attraction or productive powers to absorb graduates.

"Then what organizational form of new society do we want for graduates? In my conception, it is necessary to form cooperative societies containing individuals in the new society, who will participate themselves with one another in administering them with specialists, while these societies are liberated from red tape, so that we can remove ourselves from administrative concentration and centralism with its negative aspects. Then trust the young and give them experience."

Dr Mahmud Da'ud replied by saying "I agree with Dr Layla about the need to encourage the private sector as a productive power absorbing graduates in all fields, and I believe that that is the focus of our new policy."

11887

CSO: 4802

EMPLOYMENT OF GRADUATING STUDENTS

MANPOWER MINISTRY REVIEWS GRADUATE HIRING STATUTE

Cairo AL-'UMMAL in Arabic 10 Nov 80 p 1

[Article: "A New Statute on Appointment Immediately upon Graduation"]

[Text] The Ministry of Manpower, in participation with the International Labor Organization, is now preparing a report on changing the system of government appointment of graduates and reconciling the approach to training and education with the real requirements of the labor market.

Mr Sa'd Muhammad Ahmad, the minister of state for manpower and training, stated that this would make it possible directly to appoint graduates immediately upon their graduation without their having to wait their turn for appointment, which takes 3 years, as is the case now, and would eliminate the phenomenon of disguised unemployment, the excessive accumulation of workers, and the drop of productivity in the public sector.

Dr Mamduh Salih, undersecretary of state for manpower, pointed out that this report would be presented to government agencies next December for them to study and express an opinion concerning the rules it contains, provided that the final statute be prepared during the month of June of the following year, in the light of recommendations of government agencies.

The undersecretary added that this statute was aimed at:

Studying the distribution of labor, discussion current education and training systems and their relationship to the labor market, reviewing educational systems, recommending means bearing on their development from the standpoint of volume, and eliminating and reviewing the statute guaranteeing employment after graduation.

Creation of other fields to provide additional labor and examine distribution of entries into the economy and the levels of basic requirements among various groups of the population and the necessary investment programs and measures to guarantee the provision of a better life.

11887

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EMPLOYMENT OF GRADUATING STUDENTS

NEW GRADUATE HIRING POLICY EXPLORED

Cairo AL-MUSAWWAR in Arabic 28 Nov 80 p 82

[Article by 'Abd-al-Salam Wafa: "A New Policy of Appointing Graduates Has Started"]

[Text] Its human resources are the greatest thing of which Egypt boasts and is proud; they are the rays of Egyptian civilization whose light shines over all the peoples of the Middle East region and the African continent - indeed all Arab and Islamic peoples.

Teachers of all kinds, doctors, engineers, professionals in various specializations, and tradesmen who are the people of Egypt are the basic pillar on which all of these peoples rely in development plans, to the point where Egyptians have become hard currency, and these ambassadors of their country to all worksites are also considered to be participants in supporting the economy of their motherland, Egypt, with more than 2 billion pounds a year in hard currency, as the deputy prime minister, Dr 'Abd-al-Razzaq 'Abd-al-Majid, has declared.

In spite of all these distinctive characteristics of Egyptians and their ability to innovate and create in all areas of life on the Arab, African and Islamic stage, these human resources have not yet yielded fruit in Egypt! This is because a planning policy is lacking in order to put the right man in the right place!

Fifteen years ago this slogan was raised, but it remained mere ink on paper until it received a greater share of the attention of President Anwar al-Sadat.

During the celebrations of Teacher's Day, a few days ago, he issued his instructions to the deputy prime minister Dr Fu'ad Muhyi-al-Din, and to the ministers to prepare a scientific study based on sound planning regarding the policy of appointing graduates whereby each person would be appointed to his place and to his area of specialization and human resources would be exploited in the optimum manner which would rise to the responsibility of stage of reconstruction.

The Organization and Administration Agency tolled the bell at danger; one of its reports stated after thorough study that 90 percent of the people working in the government were not in the right place!

The president's instructions to the Council of Ministers to prepare a comprehensive study and present it for discussion among the people proceeded from this fact: it is

no longer possible for government offices and bureaus to remain congested with armies of employees and for their numbers to increase without computing the "loss" from this employment, or what is known as surplus labor, or inflation in the employment system, and without matching it with production, palpable or not!

From this bitter state of affairs, organization and management experts consider that our losses in the employment of the human element are to be considered great, or, to use the economic expression, we have caused our economy to lose an alternative opportunity, since it would have been possible to arrive at the best use of the human element, which is labor.

There is a disruption in the manpower structure. This disruption is directly connected to the issue of the appointment of graduates, because Egypt's economy can no longer tolerate a labor surplus joining the lines and the massive army of employees in the government system; rather, it needs productive personnel.

The manifestations of disruption are simply the presence of a surplus in some manpower along with a deficit in specific fields of specialization and skills; they are, by vocational definition, higher technical personnel such as engineers and doctors and people in intermediate technical occupations such as industrial technicians, farmers, foremen, nurses, teachers and skilled workers, while our surplus is concentrated in unskilled workers, untrained workers, and clerical and office occupations.

In figures, while requirements in the class of technicians this year total 780,000, we find that we have only 407,000; in skilled labor, 1.9 million are needed but we find that we have just 1 million. Of workers with intermediate skills, 3.5 million are needed while what is available is less than 3 million!

In the government system, the number of workers is increasing at a high rate, rising from 1.9 million in 1977 to 2.2 million in 1979, or by 16 percent. The increase is concentrated in the numbers of government employees in insurance, defense, security, justice, supply, trade, general bureaus, local councils, and health, social and environmental services. Another indicator shows government grades in which the increase is concentrated, and here the comparison is between 1977 and 1979.

The figures issued by the Organization and Administration Agency state that the increase in positions in special staffs is higher than in the general staffs; the rate is 37 percent in the former and 13 percent in the latter.

In the general class, the expansion is concentrated in the positions of undersecretary and above, positions of university vice presidents, undersecretaries of higher ministries, and Grade Two employees!

The essence of one obvious phenomenon of disruption in the government system is that people working in organizational, administrative and clerical positions come to 20 percent of general staff employees, in addition to the fact that labor and auxiliary services account for 23 percent of the total employees in the general staff, numbering 435,000 out of the total employees in the general staff; which comes to 1.9 million employees!

The question which raises itself insistently, as we are intending to reorganize the structure, as productive new projects have a need for a workforce with specific skills, is, why isn't this enormous number immediately transformed into a productive workforce by rapid training in vocational skills which are suffering from a severe deficit, such as plumbers, carpenters and construction workers?

Perhaps the time has come for the voices which have been raised in the People's Assembly demanding that a review be made of the Statute on Public Service for Young People to appear on the scene, now that it seems that the Statute on Public Service has not realized the goals on which we had been hanging our hopes.

The real national service would be to transform the armies of people graduating every year into a productive force, and it might be appropriate for us to present some ideas here:

Suspending appointments to the government sector and limiting that to positions of teachers; it is possible that this suspension would be for specific years linked to reform in the structure of education.

Organization of companies of graduates representing youth pioneers in agriculture to take over the invasion of the desert and the establishment of independent farms operating on the principle of self sufficiency.

Opening the way for vocational choices among young people, in the sense that farming should not be the only field but rather that young people should be guided to other occupations both important for the Egyptian economy and realizing better gains and profits for it than jobs with a fixed salary.

We must admit that there are no training centers at a high technological level. Here we might recall two experiments:

First, at the start of planning, in the early part of the sixties, when industrial technical institutes were established to graduate a group of intermediate laborers, foremen, and engineers' aides and train them for a year in Germany; for numerous circumstances, most important of which was social pressure, the experiment was turned into a higher institute without training, and we lost the link of engineers' aides!

The second experiment was in the era of Muhammad Ali, as our economic history shows: he issued a firman in 1817, Article One of which stipulated that a factory was to be established in the Bayn al-Surayn area, Article Two of which stipulated that a vocational training center would be established in it, and Article Three of it, which was the most important, stipulated that no factory with more than 150 workers would be established in Egypt without having a vocational training center attached to it.

Concerning these notions, Eng Muhammad Ahmad Zaki, first undersecretary of industry for productive capacity and vocational training, says: the resolutions and recommendations of the Fifth Training Conference held in Alexandria are now being put into practice, especially as regards the following points:

The need for public sector organizations and companies to commit themselves to training all staffs of workers at the rate of 25 percent of the number of workers annually.

Granting incentives to people working in the public sector and people in the training activities plan equal to what their colleagues on the production lines receives. People working in the government sector should receive incentives equalling at least 50 percent of their wages.

Use of the training system and methods prepared by international research institutes and centers and establishment of research and training institutes belonging to the Ministry of Manpower.

In another area, it has been decided to prepare a training law in whose issuance the Ministries of Industry and Manpower and the competent People's Assembly committee will take part and adopt the necessary measures to establish a manpower and training data bank, considering training an investment to which specific proportions of the financial allocations listed in the budgets of government agencies and public sector units will be allotted, alongside establishment of the national fund and special funds for various sectors to finance training.

In the light of President Anwar al-Sadat's directives to the Council of Ministers to prepare the study which will be presented for discussion at the popular level, the Ministry of Manpower has taken the initiative to prepare a special working paper containing a new system for the distribution of graduates. The new system is aimed at remedying the disruption in the current distribution of graduates, which results from the failure to link general development plans to various educational approaches in a manner compatible with society's real manpower requirements, which appears every year when a new class is distributed through Manpower. The working paper contains the application of two methods, one over the short range and the other over the long range, with the objective of finally eliminating the two phenomena of surplus graduates in certain specializations and a deficit in others.

As regards the former method, the working paper recommends that it is necessary to expand departments and faculties in specializations experiencing a deficit, at the expense of specializations which are suffering from a surplus of graduates, and that it is necessary to prepare transitional training programs for occupations which are close to and correspond to specializations in which there is a deficit. For example, it is possible to conduct transitional training for graduates of secondary commercial schools to work as warehouse supervisors and conduct transitional training on graduates of commercial faculties to work as secondary school teachers.

The paper also recommends that it is necessary to seek the aid of graduates of agricultural faculties to work on new and reclamation projects for self sufficiency in food, and various concentrated labor development projects in order to absorb graduates in productive projects possessing genuine economic feasibility.

As regards the method bearing on solving the problem over the long range, the paper claims that it is necessary to carry out total coordination between education policy and development plans and the labor market's real needs for labor and various forms of manpower.

There is no doubt that presenting the study which the Council of Ministers will prepare in this regard on the popular stage for discussion will enrich this study with many constructive, purposeful recommendations, which will make manpower the basic pillar of the green revolution, the Egyptians' hope for owning land and realizing welfare.

11887

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EMPLOYMENT OF GRADUATING STUDENTS

PRESIDENT UNDERLINES COMMITMENT TO HIRE GRADUATES

Cairo AL-'UMMAL in Arabic 8 Dec 80 p 1

[Article by 'Izzat Sami: "President al-Sadat Meets with Sa'd Muhammad Ahmad"]

[Excerpt] President Muhammad Anwar al-Sadat stressed his complete confidence in the workers of Egypt and their trade union movement under the leadership of the General Federation of Workers' Unions and his faith in the role Egypt's workers are playing in domestic labor issues, especially the attainment of the goals of development and creation of the future. President al-Sadat said that the government would give the labor union movement all possible support to carry out its role in service of society.

This occurred in the meeting which President Muhammad Anwar al-Sadat held with Mr Sa'd Muhammad Ahmad, minister of state for manpower and president of the General Federation of Workers' Unions, last Wednesday.

Mr Sa'd Muhammad Ahmad held a press conference the day before yesterday, Saturday, in the evening, at federation headquarters, in which he said that he was honored by the president's reception, pursuant to a request by the federation president, when he presented the president with aspects of the role which the Egyptian labor union movement must perform in order to participate in national action issues in the coming stage.

The president of the General Federation of Workers' Unions pointed out that his meeting with the president dealt with three basic issues:

The issue of appointments of graduates.

The role of the union movement in the coming stage.

Projects which the union movement is intending to carry out.

The issue of Graduates.

Concerning the issue of graduates, Mr Sa'd Muhammad Ahmad declared that President al-Sadat had stressed the principle of the government's commitment to appoint graduates, provided that the appointment process be guided in such a manner that they be absorbed into the sectors which are more in need of them and be assigned to productive work.

The minister said that President al-Sadat stressed the need for the timely appointment of graduates of the class of 1977 possessing intermediate certificates and the class of 1978 university graduates he requested that urgent studies be made with the goal of appointing them to productive jobs.

11887

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PROBLEMS OF FARMERS, FARM OUTPUT REVIEWED AT SYMPOSIUM

Cairo AL-AHRAM in Arabic 12 Dec 80 p 17

[Article: "How Can We Be Fair to the Peasant and Protect the Crops?"]

[Text] In this issue, we are continuing the minutes of the "symposium" on the peasant, on grounds that he is the prime source of self-sufficiency in food in Egypt. We published the first installment of the symposium in the Friday 14 November issue, then stopped in order to publish, over the past 2 weeks (on 21 and 28 November), a symposium on the issue of college graduates, which imposed itself on the stage of domestic action and consequently journalistic action. Here we are resuming what we had interrupted. Previously, we reviewed a group of opinions in the course of surveying the state and the extent of self-sufficiency in food in our country, the Egyptian peasant, and the resources he needs in the battle for food so that he can succeed and triumph in it, as he succeeded before, meeting the requirements of Egypt and other countries for thousands of years, and as he triumphed in establishing the broad base of civilization, building the pyramid through his sweat, digging the canal with his fingernails, facing life with his bare breast, wading into the mud with his bare feet, holding the pickaxe in his sweaty arms, splitting open the bowels of the earth, mulling over his cares to the sound of reed flute as he watched over the towering plants, waiting for the harvest after planting the seed!

In the previous section, published 14 November, Ahmad Nuh, the minister of supply, talked about the Egyptian society's consumption of food in the light of the worldwide shortage and said that the value of some major foodstuffs which the Ministry of Supply imports would by the end of this year total \$3 billion in value and that the volume of the subsidy which the government incurs to maintain reasonable food prices would by the end of 1980 rise from 1,568,000,000 pounds to 1.8 million. Dr Mahmud Da'ud, the minister of state for agriculture and self-sufficiency in food, stated that the deficit in some commodities would continue as long as we did not change our consumer habits and eating habits, but, in exchange for that, our agricultural exports would rise from 690 million last year to 1 billion this year, covering the price of the oil and sugar we import, and the Egyptian peasant's rice output would come to 2.5 tons per feddan - the highest rate in the world. He said that we were following an agricultural policy of producing crops we could export at a high price and in their place were importing goods at low prices, and to that end we were planning for specialization. For example, the Governorate of Dumyat would be specialized in the production of vegetables alone, others would have other specializations, and so forth. al-Hajj Mustafa al-Tahhan, a farmer from al-Qalyubiyah, spoke, requesting

that this specialization be put into effect rapidly in all governorates and that the ministry set forth a policy on the crop composition to which the farmers would commit themselves, while providing them with resources lest they resort to what is called farming the market, that is, farming crops which are sold quickly whether or not they are compatible with the government plan. Then 'Abd-al-Fattah al-Dali spoke, referring to a number of problems facing the peasant, including the lack of agricultural guidance, new seeds, the shortage of fertilizer and the lack of facilities for purchasing agricultural machinery and equipment, at a time when the government is facilitating the purchase of color television sets and fans. In the course of the symposium, the problem of rats, which devour 20 percent of the crops, was raised, along with unfeasibility of pesticides since when the rats devour them they emit a smell when dying with which they warn their fellow rats, who beware! The same with bats, which eat the fruit on the branches of the trees!

At that point, the temperature of the discussion in the symposium rose and the head of the People's Assembly Agricultural Committee picked up the thread of the discussion:

Mahdi Shuman: The map of the Egyptian countryside changed in the years following the 23 July 1952 revolution, for numerous reasons, most important of which was free education, whereby the children of peasants turned to schools and, following their education, found jobs and fled the countryside. Another result of this also has been that, as the minister of agriculture says, the patterns of consumption in the rural areas have changed and peasants have started finding it easy to buy ready-made bread and cheap subsidized flour. Civilized techniques have entered the rural areas and, instead of the unemployment which existed, a shortage has arisen in the work force and wages have risen so that the land is now worked only by old people or people who missed the train for an education. However, the peasant has become more conscious about agriculture and attempts to increase production, although he is not the only instrument of development.

It is necessary to provide the wherewithal for production without which the peasant cannot produce. It is necessary to mechanize agriculture to overcome the problem of the shortage of workers. Unfortunately, however, we have arrived at only a limited amount of agricultural mechanization. Where are the machines which will plow, sow and reap? For this reason I state that industry has not served agriculture but has been a burden on it. Agriculture produces and provides its services to industry, while industry does not serve it and does not provide the farmer with the equipment he needs!

The Peasant and Social Change

William Hajib Sayfayn: In order to solve the problem of the peasant and agriculture, there are two roads before us, horizontal expansion or vertical expansion. As regards vertical expansion, Egypt has made efforts, beginning in 1960 when land irrigation shifted from the flood to the permanent system; this was applied to 973,000 feddans in Upper Egypt, to the point where there was not one planting or crop during the year but rather two or three. However, these projects were only accompanied by drainage projects some years later, in 1970, specifically, when a tile drainage system plan was set forth, covering 5 million feddans, to end in 1987-88, including 3.3 million

feddans in Lower Egypt and 1.7 million feddans in Upper Egypt, with the objective of raising the productivity per feddan. If fact, implementation agreements have been signed with international authorities, the latest of which was just signed recently; there is a World Bank delegation in Cairo negotiating three new tile drainage project agreements covering an area of 600,000 feddans in Lower Egypt and half a million feddans in Upper Egypt. So far, the drainage has covered 1.9 million feddans and the remainder, 3.1 million, will be covered by 1987-88.

However, there are other reasons for the drop in production. For example, per-feddan sugar cane output was 46 tons in the sixties then dropped gradually to 32 tons last year - after concentrated efforts, since it was a ton and a half or 2 tons less the year before that. Here we raise the issue of compatibility or balance between costs and revenues. A feddan of sugar cane costs 342 pounds, and, before the sale of the crop increased recently, a ton sold for 10 pounds -- that is, the crop per feddan (32 tons) would sell for 320 pounds, or at a loss of 22 pounds. Therefore the government took note and raised the per-ton price by 3 pounds; the price of a feddan's crop totals 416 pounds, while it costs 320 pounds, so it earns 96 pounds; that is better than nothing!

I can then refer to the disposal of waste from plants into drains, which is injurious to the health of people and animals. This must be totally prohibited. I can also refer to a very important issue, which is the new cooperative law giving benefits to the peasant, including exemption of agricultural machinery like tractors from customs duties.

Besides this, I request that the private sector be encouraged to reclaim land in a manner where we will allow individuals to own a maximum of 300 feddans, cooperative societies 5,000, and reclamation companies 25,000. I also request that weather forecasts be put at the service of the peasant, in the sense of forecasts on times of cold, frost and the like and areas which will be exposed to these phenomena.

Labib 'Anbah: The peasant's movements are indeed restricted: thus, he does not produce what is needed to achieve self-sufficiency in food. There are problems related to the soil, fertilizer and so forth, which the people present have talked about now. For example there is waste between the field and the consumer or the factory, as in the case of wheat, for whose storage adequate warehouses do not exist and which is exposed to birds, which eat it, or old seeds such as those of Class 69 cotton which was cultivated for 10 years until its output dropped and became insignificant. There are also the gins which are not properly equipped and into which cotton is thrown, being exposed to the air and climatic elements, and of which a large percentage is lost, losing its "staple." With respect to strawberry cultivation - which, as was published in the last installment, the minister of agriculture said he is interested in, as 100 feddans were planted in Isma'iliyah for export at a price equal to that of a crop of 2,000 feddans of wheat - our villages have been growing strawberries for some time, but cultivation is dropping sharply: have we looked for the reason? Has anyone thought of a scientific investigation into this phenomenon? Where is the Research Center? Then where is the Center for Research into the Purification of Livestock Strains? A high percentage of buffaloes and cattle are afflicted with sterility and their treatment must come about through artificial insemination. There must be insemination centers near the peasant!

Husayn Sirri: The Egyptian peasant exerts the utmost effort and gives the best production in the world, cotton included; however, we oppress him. We sell cotton products like calico, (diblan) and so forth at low subsidized prices to the consumer and buy cotton, at low prices also, from the peasant - so we are oppressing him and therefore he avoids growing it. It is unfair that we should lay the burden of consumption on him! Another example: We are complaining about the paucity of our oil output and put the responsibility on the peasant, whereas oil is processed from cotton seeds, and here we find that the peasant has played his part but that the seeds are thrown into delapidated, unfit gins and presses. The committees have demonstrated that there are seeds which have been around since 1973 but not processed; will we blame the peasant now? The government subsidizes the commodity but does not subsidize the person who produces it. The company earns money from spinning but the gain does not revert to the peasant! Then if we move on to another point, livestock resources, we are indeed in need of good new strains; therefore, the ministry has opened an artificial insemination center in Wadi al-Natrun, where the children of peasants learn how to inseminate so they can practice insemination in their villages. We also need fodder to feed livestock and unfortunately some types of fodder are unfit. Machinery is required, not the mouths of animals, to break the fodder down, while in Europe we see types of fodder which are fit for birds, not just animals! As regards seeds, the Research Center is doing its part, and had it not been for that we would not have attained this level.

Ahmad Muh: As regards the losses in seeds and foodstuffs which were referred to, I can say that these exist in approximately all developing countries, where losses come to 30 percent. We in Egypt just have two silos for storage, one in Cairo and the other in Alexandria, with a capacity of about 100,000 tons. The rest of the crop is stored out in the open! Therefore we have made plans to establish another silo in Cairo with a capacity of 100,000 tons, another one in Alexandria with the same capacity, and a third in Safaja with a capacity of 50,000 tons, on which work will start in a month (in 1981). We are now studying a plan to place a modern silo with a capacity of 10,000 tons alongside each mill.

Reannouncement of Societies

Husni Abu-al-Sa'ud: I would like to refer here to two important laws connected to the peasant and his problems: first is the new Agricultural Cooperation Law No 122 for the Year 1980, which will realize numerous gains if applied properly, one of its advantages being that it is a law consolidating all forms and manners of cooperation, credit, animal and water resources and so forth; for this, we are now intending to issue an executive bill preparatory to reannouncing all cooperative societies anew, in the light of the law, which will contain three sections, on plant resources, livestock resources and water resources. I believe that if the cooperative societies play their positive role, that will have a positive effect on the interests of the peasant and consequently on the interests of self-sufficiency in food and the society as a whole.

Fathi 'Abd-al-Mun'im: I would like to bring up the issue of agricultural workers and the unstable nature with which their work is characterized. They are also deprived of the benefits and services which legislation has assigned to regular stable workers in various production sectors. In addition, these workers' wages are no longer in

keeping with the demands of daily life; on top of that, they do not work more than 20 days a month at most. They are exposed to ordinary environmental diseases and risks, from channel water or from the use of pesticides. In addition, agricultural workers are subject to oppression and exploitation by contractors in human beings; in spite of the issuance of Republican Decree No 239 for the Year 1976 bearing on the organization, employment and care of agricultural and migrant workers, all groups, including government authorities and the public sector, insist on dealing with contractors who traffic in people. This prompts agricultural workers to flee from oppression and migrate to Arab countries under the cover of agriculture, construction labor or the like; more than half a million have fled in this manner.

Mahdi Shuman: This is truly an important problem, and, alongside the remedy to it, preference is now being given to the use of mechanization in farming to take the place of the manpower shortage as well as animals so they can be devoted just to meat and milk. Here, to the talk about the cooperative societies, I might add, that with the new law they will enter the field of economic activity, that is, they will operate as economic units participating in the development process.

Labib 'Anbah: In addition to what my colleagues have mentioned and reviewed, let me refer to Law No 100, which prohibits the deeding of land in the desert and like-wide land on the whole northwestern coast and in all of Sinai. How can we apply this law while we are appealing to people to reclaim the land?

The symposium was dismissed after a long discussion. While we have reviewed the problems of the Egyptian peasant, we admit that we have just touched the tips of the problems and have brought some of what the blunt discussion has produced to the surface, in order to arrive at serious, objective solutions before the particulars become exaggerated and we then cry out "Would that we had become aware before it was too late!"

92 Million for Common Cloth

The symposium requested that the purchase price of cotton from the peasant be raised, on grounds that cotton products are sold at a high price and that the productive farmer does not benefit from it. Ahmad Nuh, the minister of supply, said that our output of cotton is of three kinds: short, which is used in spinning up to number 30, medium, which is used for up to 60, and long, which goes up to 120. However, we are destroying our output, which is of the best quality, because there is no coordination between Agriculture, which produces, Industry, which processes, and Economy, which exports. Sixty-five percent of our output is transformed into common cloth, about 400 million meters, in addition to quasi-common cloth or cloth which is not compulsorily priced. This cloth uses grades which are below the lowest types we produce, but we use this quality output for this type, and this is extremely serious and important. Coordination among Agriculture, Industry and Economy is necessary because it is this system which will result in the purchase of cotton from the peasant at a low price for processing of common cloth in spite of the fact that the government subsidizes this cloth with the sum of 92 million pounds!

Problems in Search of Solutions

Mahdi Shuman raised a number of problems related to peasants and agriculture. He said that there are about 1 million peasants outside Egypt, working in Arab countries after changing their job descriptions to those of construction workers or tradesmen. The same problem was raised by Ahmad Badr and Fathi 'Abd-al-Mun'im of the Agricultural Workers' Union, who they demanded that it be remedied. Mahdi Shuman also said that soldiers do not go back to the villages after their military service has ended; they look for work of any kind in Cairo or the capitals. He said that the area of farmland is shrinking because of the buildings, installations and homes being erected on it and that it is necessary to guide the use of water because the system of leisurely irrigation still exists and is very serious. Then there is the problem of the shortage of fodder and the problem of the failure to adhere to the crop structure. We have been accustomed to traditional farming for an eternity; he said that these problems require rapid, urgent solutions, as long as we are living on the same old agricultural land, despite the multiplication of the population.

Participating in the Symposium

Dr Mahmud Da'ud, minister of state for agriculture and self-sufficiency in food; Mr Ahmad Nuh, minister of supply; Husayn Sirri, undersecretary of agriculture; Husni Abu-al-Sa'ud, consultant to the minister of agriculture for cooperation; Muhammad Mahdi Shuman, farmer and chairman of the People's Assembly Agricultural Committee; 'Abd-al Fattah al-Dali, farmer, National Party secretary for al-Jizah, and member of the People's Assembly; agricultural engineers Muhammad Labid 'Anbah and William Najib Sayfayn, members of the People's Assembly and deputies of the Agricultural Committee; Mustafa al-Tahhani, farmer from al-Qalyubiyah; Ahmad Badr, vice chairman of the Agricultural Workers' Union; Fathi 'Abd-al-Mun'im, assistant secretary of the union; and, for AL-AHRAM, Mahmud Murad and Hasan Sallumah.

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AGRICULTURE

NEW MORE EFFICIENT FORMS OF IRRIGATION URGED

Cairo AL-AHRAM in Arabic 19 Dec 80 p 17

[Article: "Water Is More Precious than Energy"]

[Text] When a discussion on any subject starts at the table of serious dialogue, more than one fact which is fit to be a subject in its own right bursts forth - inflating the basic issue and causing its elements to branch out. That is a definition of what happened in the case of the issue the symposium raised, which was "the development of irrigation methods in Egypt to guide water use so that it will be adequate for our current and future requirements." When that issue was discussed, numerous facts burst forth, including the fact, confirmed by international research and studies, that water will become much more valuable than oil and all other elements of energy at the start of the 21st century, that is, in just 20 years, because water is connected to agriculture, the base of food, and (the reports and research works add) the world is on the verge of a major famine which now lies beyond the gates of the coming century! At the local level, while Egypt has known of irrigation for thousands of years, a totally new and changing state of affairs has arisen since the High Dam, which has had the effect of transcending this "old knowledge" to plan irrigation on more modern bases, benefiting from the technology and sciences of the age. Arising from these facts on both the worldwide and local levels are other policies which were once traditional but must now assume a new style in content and in the form of their implementation, such as guidance of peasants in methods of irrigation - which has a paragraph in the agricultural guidance program although it is mandatory that it be independent in its own right, on grounds that it is an important national demand.

Eng Muhammad 'Abd-alHadi Samahah: Previously, we were accustomed to using water lavishly during the flood periods, inundating the land with it at farming time then leaving it for 5 or 6 months during the season of the low Nile level, so that the land could get rid of the surplus water; now, though, after the dam, the land has almost ceased to see the sun, since water is available throughout the year, and has come to be farmed more than once. Therefore, in irrigating, we want the plants just to receive the water they need, because they are living organisms like people and animals; while a shortage of water harms them, an excess of it can cause them the same harm. But how can we estimate these needs for the health of the plants and the health of the land as well? How can the peasant's view of water change so that he can give it its due and value, in spite of its abundance? How can we make the

best use of the water of the Nile, both in the vertical expansion on the land now available or in horizontal expansion through the reclamation of new lands? The first element in guiding water use is the human element, which is the peasant.

AL-AHRAM: The volume of our water resources is 55.5 billion cubic meters. How much of that is used in farming?

Eng Samahah: About 92.5 percent. If you say 55.5 billion, that is the Nile water we are permitted to use annually, but there are other probable resources such as the upper Nile projects, groundwater and drainage water of which 80 percent seems to be fit for reuse.

AL-AHRAM: That means that we use 92.5 percent of the Nile water, that is, of the 55.5 billion, in agriculture?

Eng Samahah: 92.5 percent of the resources, the Nile and others. The proportion used in agriculture comes to 49.5 billion cubic meters.

AL-AHRAM: Is the new land included in the calculation of available water resources?

Eng Samahah: The land which is to be reclaimed by 2000 is 2.3 million feddans in area; for this, there will be water. You ask me how we can provide that. I tell you, by guiding the use of water, which is our subject. We lose from 20 to 25 percent of the water as it is being transmitted to the fields, and the efficiency in the use of irrigation water in the fields by current methods is no greater than 45 or 50 percent. We want to raise that to 80 percent; that will save water. There also is the drainage water, and the ground water. Also we want to control the use of water in industry and potable water.

AL-AHRAM: Let us leave the water in industry and potable water to the side for another discussion.

Eng Samahah: How so? It is very important, because it is the most valuable kind of water; the basic element in water use is the human element, whether in farming, in industry, or in drinking. If one arrives at an understanding of the value of water, the problem will disappear. For example, 60 percent of drinking water is lost through bad pipes or poor use; therefore if the rate continues that way we will not find water in 2000. Factories consume 1 billion cubic meters a year and drinking water consumes 3 billion!

AL-AHRAM: We are on the subject of irrigation and the use of water in farming. Assuredly an important segment is related to the peasant, but there is irrigation itself, through official responsibility, whether represented by the Ministry of Irrigation or by the Ministry of Agriculture. What have they done, and what are the best irrigation methods for leading to the guidance process?

Eng Sa'd Hijris: The relationship basically is between the land, the water and the plants. If this is well-arranged, production will be abundant. A disturbance now has occurred in the relationship and that calls for a theory of water guidance. In order to clarify the extent of the disturbance, I can say that the Governorate of

al-Fayyum is irrigating the average feddan with 17 cubic meters a day while we find that the average reaches 30 cubic meters in Lower Egypt. This is the result of control in use in al-Fayyum, and waste in Lower Egypt. This waste causes damage to plants, yields fewer crops and brings damage to the ground, whose fertility declines. Also, water seeps into the ground; 16 billion cubic meters are drained off annually and thrown in to the sea! Guidance therefore is needed on the part of the peasant and also on the part of the government in order to control water. The current irrigation system of channels and canals causes water seepage because they need to be lined or have their openings repaired. For example, water is seeping out in the left bank of the al-Isma'iliyah Canal, harming the land in the area. This is the responsibility of the Ministry of Irrigation. In addition, the Ministry of Agriculture is responsible for guiding peasants in proper water use.

AL-AHRAM: Let us direct what you are saying as a question to you: are you carrying out guidance?

Eng Hijris: We are carrying that out as part of the agricultural guidance programs, but we need more; this is our task and also the task of the popular agencies.

AL-AHRAM: The popular agencies might not have adequate technical expertise. Why doesn't the ministry prepare a concentrated campaign, as long as this is a national requirement?

Eng Hijris: You have a point, especially since vertical expansion in agriculture depends on the use of water. Then there is another point, which is that leisurely irrigation, whereby the water inundates the ground, consumes 8,000 cubic meters of water per feddan, whereas, if a large area is converted to sprinkler irrigation, that will save about 60 percent and if we change the system of irrigation on the new lands we will save a great deal.

A New Drainage System

Dr Muhammad Hasan 'Air: The drainage process is an important one as far as guidance of the use of water, preservation of the fertility of the soil and raising per-feddan productivity go. Raising productivity depends on the amount and manner of drainage. We have carried out research and found that it is necessary to establish drainage systems on proper scientific bases in terms of depth. We have concluded that a depth of a meter and a quarter will give us the best output. What, however, will we do with rice cultivation, where the water involved is tremendous? If we establish drains for that, the peasant will block them when he farms other crops on the rice areas. Therefore we have designed a special system of drains for areas where rice is grown, so that it will be possible to control their operation, and this will raise their productivity by more than 25 percent. We have actually put this system into practice over an area of 5,000 feddans in al-Sharqiyah and we will subsequently carry it out in other areas. Will the drainage volume (16 billion cubic meters) decline after the new systems have been put in general use and water use is guided and controlled. Of course it will, by 60 percent, but the drainage will continue because if the land just receives its requirements without being drained it will salt up and salinity will appear on it. Therefore it has to be washed with additional amounts of water periodically, and from this water there will be a further drainoff, and so forth.

As for the current amount of drainage water (16 billion), most of that is reused. Drainage water in Upper Egypt all goes into the Nile and 2.5 billion of the drainage water in Lower Egypt is reused. Thus we reuse 11.5 billion in drainage water but cautiously, since it may not be fit for the old lands in view of the salinity it contains, which might affect the plants and soil. However, it is possible to use it without caution in the new lands.

Dr. Hasan Hamdi: I recently read a World Food and Agricultural Organization report stating that energy, in spite of the rise in its price, will become cheap relative to water in 2000, because the world will be more in need of food. This tells us the extent of the importance of irrigation guidance. I am in agreement with the minister on the need to irrigate by lifting, but guidance in use must be accompanied by a change in the agricultural system and the crop structure -- indeed, there is no fear of saline lands, and instead of making an effort to wash the land or leave it unfarmed, it is possible to make the plant obey so that it can be planted there and bear fruit. This requires the production of new seeds following a study of environment and soil. Another point: we reclaim land, then think about who we will give it to, by breaking it up, and think of the kind of farming on it, whereas it is necessary not to break it up but to think first of means for administering it and farming it.

Eng Baligh Shindi: To the foregoing I might add that we are studying drainage water and its effect on the soil. The Council of Ministers has approved a new agricultural plan in which 800,000 feddans in the middle and western Delta will be irrigated by this water; this area will consume 12 billion cubic meters, and we have a laboratory which has been performing on this research for 23 years.

Eng Sa'd Hijris: There is no objection to the use of drainage water; it is necessary to use every drop of water. However, it would be more accessible and easier for us to make the water in the lakes evaporate in order to cultivate them and make use of them, as we do not need the lakes and they are half a million feddans in area. Then, on the point of guiding and using lifting, let me add, why don't we include calculations on water in the costs, since we are making calculations on crops, in order to put a value on the water?

Eng Anwar Hijazi: Let me add something important. The Ministry of Irrigation determines the amount of water to be discharged daily from the High Dam according to the agricultural plan. What happens is that the water discharge takes place at the specified times, while no more than 30 percent of the stipulated crops are planted; therefore the rest of the water flows into the sea uselessly because no fields are ready to receive it. The solution is that it is necessary to be accurate about and to control deadlines.

Counsellor Ibrahim Hasan: I consider it fit to compute the cost of water in agricultural output, to grant incentives to peasants who make proper use of it, and to organize a media campaign to guide water use.

Dr Kamal Hifni: The issue of groundwater and surface water which can be used for irrigation and drinking the former being water which percolates to a depth of from half a meter to 5 meters and the latter being groundwater which gathers at a depth of 30 to 100 meters has been raised. As regards the movement of groundwater over the course of a year, we have been observing that for 30 years in more than 1,000 locations on the Nile Valley, in order to set forth a plan for the use of it, and we will start with the exploitation of 500 million cubic meters a year, beginning on 5,000 feddans in al-Minufiyah.

AL-AHRAM: When?

Dr Hifni: Starting in 1981. There are also 5,000 feddans in al-Minya.

Dr 'Ali Sirri: Our agricultural output has increased greatly from 1952 to 1980, that means that efficiency in water use has risen greatly. Then, I can stress the need for agricultural guidance and talk about the benefits of water control for the peasant and the plant.

Dr Muhammad 'Abd-al-Hadi Radi: The basic point is, to whom should I speak? For us to talk to the peasant is the objective of this symposium. Who is he? The peasant I deal with today is now changing completely, as the nature of the village and conduct in the village has changed; the peasant has started to migrate from the village in quest of higher wages, to avoid traditional crops, and for other factors above and beyond changes in consumption patterns in the village and the peasant has started to rely on cooperative societies and services the government provides him. Therefore the process of guiding the peasant must touch upon him personally and show him benefits.

Dr Muhammad 'Ali 'Izzat: To follow up on what has been raised concerning the reform of new lands and the guidance of irrigation on them, when we talk about this we find that the process is complex, and it is necessary to show attention to linking water to the land, to the plant, to the climate and to the region. It is necessary for us to benefit from our mistakes and to recognize that mistakes have been made in the past in the reclamation of land. The land would be reclaimed and then we would think, what will we plant?

Therefore from the beginning it is necessary that we know the proper economic farming cycle on the new land, and, after that, what the best economic return on the drop of water is. We are conducting this experiment in the New Valley, in a new area and in our minds. Will we carry out irrigation by drip system, by sprinkling, or by flooding? That is, we have been open-minded and we have included all these factors in economic calculations in order to arrive at the best economic return per drop of water, the proper use of the type of land, what the best plants fit for a given type of land are the most suitable method of irrigation which is appropriate to the type of soil (there are sandy and clay soils), then the most appropriate economic crop cycle. We have made a study on 20 crop cycles in which water allocations are involved in which the economic word illegible enters, all this in order that it may be possible to obtain the best use of our natural resources.

Thus the basic subject became ramified; however, the issue is actually very important. It is related to water, from which God has made all things live, and whose price, by the material criterion, will rise till it is more precious than oil - more precious than all elements of power, in just 20 years, in the 21st century which is now approaching.

Irrigation -- by Sprinkling!

Eng Ibrahim Zaki Qinawi said "irrigation by sprinkling is high in cost. If, for instance, we want to irrigate a field 500 feddans in area, that means that we will require a pressure at the mouth of the sprinkler which is two times greater than atmospheric pressure, and will need a force of nine or 10 times atmospheric pressure at the source of the water pipe, according to the length of the pipe; this matter is expensive in economic terms.

"There are numerous techniques for sprinkler irrigation, among them that of placing pipes on the ground. However, some countries, as I saw in Bulgaria, consider it appropriate to delay the process of plowing the ground and therefore bury the pipe under the ground, so that two fountains will be set out in a specific manner to rise to the surface when irrigation is needed in place of a fountain sprinkling water, and this is expensive. There is the method of arranging pipes in a circular fashion, or outfitting a unit with pipes of mobile hoses which will be able to irrigate 6 feddans. Or the pipes can be suspended in air.

"In addition, drip irrigation has more than one method. This requires technical equipment, which is high in cost. Therefore the use of modern irrigation methods must be calculated and must conform to a carefully studied plan; however, I have a study on the New Valley which says that sprinkler irrigation consumes 12,000 cubic meters per feddan - that is, more than the traditional system - and this loss prompts us to be wary in calculating the matter."

He said, "If we are striving for modern methods, how can we break ownership down? We have tired ourselves out reclaiming the land. How can we break it down into 3 or 5 feddans when it is necessary that there be consolidated farms applying technology?"

As to what is said regarding the loss of 16 billion cubic meters of water which flow into the sea as drainage water, he stated "It isn't right to talk about that; before the High Dam, we let twice that amount go into the sea. Indeed, the volume came to 100 billion some years, when the flood brought us 155 billion, and we used only 48.5 billion! When we began the High Dam project, we took the next 1,000 years into account and divided the water up with the Sudan in the light of the water budget. Likewise, we expanded rice cultivation (1.2 million feddans), which needs a great deal of water which produces drainage to the point where we raise fish! We have also expanded corn cultivation throughout the whole year."

Irrigation by Flooding Is Rejected; Lifting Is Mandatory!

Dr Mahmud Abu Zayd stated that while irrigation has been known in Egypt for 1,000 years, a new situation arose after the High Dam which makes entirely different methods necessary. This requires extremely wise water use, and wastage of water

will deprive other land down the canal from its right to it! In addition to the causes of wastage, there is an important point related to "night irrigation," which used to be well known in Egypt. Research which has been carried out stresses that most peasants refrain from "night irrigation," meaning that no one benefits from the water discharged at night and it goes to waste in the drains! In general, the new land is irrigated by sprinkling and drip irrigation, whereas the existing lands are irrigated through lifting along with increased capacity in the existing irrigation system, including canals, channels, large branches and barriers. The ministry has actually prepared a plan for that, and has reached agreement on its implementation with the World Bank; work will start in 1981. In addition, in the east Delta the ministry has started an extensive operation of improving canal weirs and replacing wooden ones with iron ones in order to control them and prevent seepage, as well as lining the channels so losses, which come to 20 or 25 percent, will disappear.

Here the minister of irrigation said that the optimum method for irrigating orchards is by the drip method; this saves about 70 percent of the water which the orchards receive now, which are 300,000 feddans in area. In general, the decision on what irrigation system to use depends on the type of farming and soil and the economics of the project, in terms of the cost of energy in the area. Estimates reveal that water will be more precious than energy in the coming century. In exchange, though, field canals and channels take up one sixth of the existing terrain, that is, 1 million feddans; that will be saved if we use sprinkling or drip irrigation. As regards irrigation by flooding, that is necessary.

Peasants Are Persuaded Not by Talk but by Example!

Dr Muhammad Mahmud al-Sayyad said "It is necessary to seek a practical way to persuade the peasant to change the irrigation system he has inherited from his fathers and grandfathers. This method must take account of the fact that the peasant is emulative and loves emulation, if he sees benefit in it. For example, mango cultivation came to Egypt in 1904, at the hands of al-Manshawī Pasha, after some fruit had come to him as a gift from the city [sic] of Ceylon; when he planted it and it was a success, others imitated him, and so forth. In addition, when potatoes came for the first time to Kafr al-Zayyat, and their cultivation was a success, others imitated it, and so forth. Therefore I consider that it is necessary that the Ministry of Agriculture run fields as model farms in which new irrigation methods are applied; when the peasant sees that they are a success and the crop is a success, he will imitate them."

Commenting on what the minister of irrigation had said on farming along lines in the field to save water, Dr al-Sayyad said "The peasant is lazier than in the past, and will not plow the field and break it down into lines. Also, manpower does not exist, because the peasant's children are studying in school in order to go to university and to join the burden of graduates."

AL-AHRAM replied that the problem is in fact connected to others, but it is necessary not to deprive the peasant of a right to his children's education by any means.

Dr Hasan Hamdi said that it was necessary that the universities, which are numerous in the provinces, take part in the process of agricultural guidance so that there will be a special department in each province which will take charge of guidance over a specific area.

Participating in the Symposium

Eng Muhammad 'Abd-al-Hadi Samahah, minister of agriculture and minister of state for Sudan affairs; Eng Ibrahim Zaki Qinawi, former minister of irrigation; Eng Sa'd Hijris, undersecretary of agriculture; Dr Muhammad Mahmud al-Sayyad, professor at Cairo University; Dr 'Ali Sirri, deputy chairman of the Agricultural Research Center; Eng Anwar Hijazi, chairman of the Irrigation Department; Dr Mahmud Abu Zayd, head of the Water Research Center; Dr Hasan Hamdi, former dean of agriculture in Tants; Eng Baligh Shindi, director of the Institute of Land and Water Research; Dr Kamal Hifni, director of the Institute of Groundwater Research; Dr Muhammad 'Ali 'Izzat, head of the Land Redevelopment Agency; Counsellor Ibrahim 'Ali Hasan of the Council of State; Dr Muhammad 'Abd-al-Hadi Radi, director of the Technical Bureau of the Ministry of Agriculture; and, for AL-AHRAM, Mahmud Murad.

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AGRICULTURE

MAJOR NEW IRRIGATION SCHEME IN EAST DELTA, SINAI SURVEYED

Cairo AKHBAR AL-YAWM in Arabic 27 Dec 80 p 3

[Article by Tahani Ibrahim and Muhammad al-Zargani: "Instead of Throwing Our Water into the Sea, the Peace Canal Will Add 2 Million Feddans and Save 2.25 Billion Cubic Meters of Wasted Water"]

[Text] The construction of a canal or waterway means more verdure and more growth and welfare. If that canal increases our agricultural land by 600,000 feddans and increased our agricultural land by 10 percent, changing the agricultural map of Egypt, we will welcome that project and consider it a great national achievement, because it will bring us out of the narrow valley into the open embrace of the vast desert which accounts for 65 percent of Egypt's area. We will create a settled population base which is capable of settlement and production. The Peace Canal will enable us to use the greatest amount of drainage water in a single project yielding 2.34 billion cubic meters of water, or 35 percent of the volume of water the High Dam has provided.

The water of the new Peach Canal will reach the barren land west of the Suez Canal and the desert land east of the canal up to northern Sinai in 3 years, turning it into green farms.

The minister says that 3,000 feddans will be appropriated as a result of the excavation of the canal; the course of the channel will pass through this. Most of this area is barren or sandy terrain or is owned by the government, except for just 200 feddans which have been cultivated and are owned by the inhabitants; that is, a small percentage of the agricultural land will be appropriated, in comparison with the great benefit of the project.

The people who own the land are screaming, stating that an intentional diversion has been made in the course of the canal and that this diversion will eat up stretches of farmed land.

This percentage has a right to speak.

We heard all points of view.

The new canal will draw its water from the Damietta branch of the Nile. It will go through the Governorates of Dumyat, al-Daqahliyah, al-Sharqiyah and Port Said, up

to northern Sinai, and will save 2.24 billion cubic meters of water, which is the equivalent of 35 percent of the water which has been provided by the High Dam; it will irrigate 600,000 feddans, 200,000 of which will be west of the Suez Canal and 400,000 east of the canal, in north Sinai.

It will add 2 million new feddans to the cultivated land, or the equivalent of 10 percent of the present cultivated area.

The project will cost 120 million pounds. It will be financed by Egyptian funds, and construction on it will end in 3 years, that is, in 1983.

The importance of the Peace Canal project lies in the fact that the construction of every canal or waterway will mean more greenery and more development and bounty, as Eng 'Abd-al-Hadi Samahah, minister of irrigation, says.

The Peace Canal has a special status specifically because there is a plan to expand agriculture over 2.8 million feddans before 2000. In order for that expansion to happen, it is necessary that the water resources in Egypt are limited, in terms of Egypt's share of Nile water, which comes to 55.5 billion cubic feet, according to the agreement on the full use of Nile water concluded by Egypt and the Sudan in 1959.

A New Water Resource

Therefore we have considered it appropriate to make use of drainage water after it is analyzed and its fitness as an additional water source is confirmed. It is well known that the drainage water in Egypt is considered good, since its salinity comes to about 1,000 parts per million on the average. In many Arab countries, such as Tunisia and Yemen, water whose salinity comes to about 5,000 parts per million is used and the land which is cultivated with it is considered a beautiful garden.

Therefore we will mix the drainage water with the Nile water, whose salinity comes to about 200 parts per million. In fact an analysis has been made of the drainage water with which the Peace Canal will be supplied.

Since most drainage channels in Lower Egypt flow into the Mediterranean and the northern Delta lakes, complete use of this water must be close to the outlet of these channels.

As a result, the notion of the Peace Canal in its current form arose; its philosophy was devised to provide us with the use of the greatest possible amount of drainage water in a single project providing 2.34 billion cubic meters, equivalent to about 35 percent of the volume of water the High Dam has provided.

600,000 Feddans

Eng 'Abd-al-Hadi Samahah, the minister of irrigation, adds that the Peace Canal is 82 kilometers long and takes its water from the Damietta Branch of the Nile at Kilometer 204, before the Faraskur bridge which is to be built on the Damietta Branch of the Nile at the site of the existing dirt dam. In its route, the canal will go through the Governorates of Dumyat, al-Daqahliyah, al-Sharqiyah, Port Said and North

Sinai, up to the Suez Canal, then after that will cross by tunnel to the Sinai Desert and proceed eastward to al-'Arish. It will water an area of 600,000 feddans, 200,000 of which will be west of the Suez Canal in the Governorates of Dumyat, al-Sharqiyah and Port Said and 400,000 feddans of which will be east of the Suez Canal, in northern Sinai, in the area of the al-Tinah Plain and on the coastal strip up to al-'Arish.

The areas which the Peace Canal is to irrigate include:

50,000 feddans south of Port Said.

10,000 feddans south of al-Matariyah.

62,000 feddans north of the al-Husayniyah plain.

73,000 feddans south of the al-Husayniyah plain.

135,000 feddans in the al-Tinah plain of Sinai.

265,000 feddans in the coastal area of Sinai between Rummanah and al-'Arish up to Kantur.

Cost of the project as the minister of irrigation says, is 120 million pounds, 1.5 million pounds of which will be for appropriation and compensation for the residents and the rest of which will be broken down among soil and construction work on the course, lifting and mixing stations, and the canal culvert under the Suez Canal.

Appropriation and Compensation

The project will entail the appropriation of 2,000 feddans which will be cut off so that the canal route can pass through them. Most of them consist of barren or sandy land or land owned by the government, except for just 200 feddans which are farmed and owned by inhabitants. Consequently, the percentage of agricultural land which will be appropriated is very low relative to what will be reclaimed by project water.

The people owning the land to be appropriated will either be compensated by being given land from that which is to be reclaimed or the value of the appropriated land will be estimated, and they will be given the right to choose whether to receive their due in money or in land.

The minister stresses that the current site of the canal was chosen to avoid the populated areas and have it progress along with the routes of some existing watercourses, to facilitate construction activities and also permit us to avoid splitting up agricultural lands as much as possible. We will use the existing waterway levees as levees for the new canal, especially since most of these levees are fit for automobile traffic.

Economic Feasibility of the Canal

In the opinion of the irrigation minister, the Peace Canal project will add great economic resources to national income in Egypt. The area which can be added to the

cultivated land is estimated at about 600,000 feddans, or 10 percent of the current agricultural area.

The Wheels of Reclamation Are Revolving

Eng 'Abd-al-Hadi Samahah concludes his statement by saying that the land reclamation projects have started to get moving, after having been suspended and covered with rust for a while. The Peace Canal will be drawing up the agricultural map of Egypt in 2000 and will make us set out the takeoff points on that map for a new horizontal agricultural expansion which will bring us out of the narrow valley into the broad embrace of the vast desert, in which a stable population base will be established which is capable of settling down, working and producing, and will be the hub of development of the area surrounding it.

We have estimated that by 2000 we will have added an area of 2.8 million new feddans to the agricultural space of Egypt, brimming over with bounty and welfare.

11887

CS0: 4802

AGRICULTURE

QUESTION OF PEACE CANAL ROUTE, EXPROPRIATIONS AIRED

Cairo AKHBAR AL-YAWM in Arabic 27 Dec 80 p 3

[Article by Tahani Ibrahim and Muhammad al-Zarqani: "The Owners of the Land Have an Opinion -- Yes to Building the Canal, No if Diversion Of the Course Is Intentional"]

[Text] In a corresponding project, preparations are now being made to excavate the al-Salihiyah Canal alongside the Peace Canal project. The owners of the land are not objecting to having their land taken over by the project, on condition that that not be done in an unfair manner.

Some of these people who own land say that the diversion in the al-Salihiyah Canal adjacent to the Peace Canal, which is 52 kilometers long, is to irrigate the Governorates of al-Sharqiyah and al-Isma'iliyah.

Dr Muhammad 'Ali Muhammad, on whose property the problem began, says that he owns 20 feddans and 14-24ths of a feddan in Subdivision No 2573 in this area, most of which is cultivated with citrus trees, and that this land has cost him 47,000 pounds so far. Just 4 months ago the Governorate of al-Sharqiyah asked him to pay for the land at a rate of 400 pounds per feddan, as well as 20 pounds for services per feddan. Before that, he paid rent for it, because he bought it from a person who had reclaimed it at a rate of 1,200 pounds per feddan. The price was paid in full to the governorate, and the sales contract was recorded in the Department of Public Lands in al-Zaqaziq.

Dr Muhammad 'Ali adds that if the canal proceeded in a normal manner and in a direct line, 5 feddans would be removed from him, but this weird turn has cost him 14 feddans. Of the 6 remaining feddans, 5 are in one plot and the other plot consists of 1 feddan. In order to justify that, it was proved that his land was barren and that the land adjacent to it was cultivated.

The second problem was on the land of Eng Ra'uf al-Badri, which is also about 20 feddans and which he owns.

As he says, he has spent about 43,000 pounds on it.

He was totally surprised by what happened, when the diversion in the canal route was made on the map, cutting his land off entirely and leaving only three small triangles

on the sides which would certainly be lost during the excavation operations. He added that on the maps his land was recorded as entirely barren although most of it consisted of citrus stands.

Eng al-Badri says that it became evident from the course of the channel that the stipulated route was about 800 meters longer than the natural route, which would entail additional amounts of money for excavation operations, especially since the width of the canal reaches 110 meters. There are no justifications for the diversion and failure to proceed in the natural course, such as a hill or valley, or anything else. This might mean that that diversion is intentional!

The third damaged party is al-Hajj 'Ali Sulayman 'Awdah, whose land lies beyond that of Eng al-Badri. He says that the diversion of the canal in this area, and the attempt to return it to its natural route will cut off about 8 feddans, all cultivated, from his land, which totals 15 feddans, all of which he owns in fee. He says that the canal has entirely bypassed the land of his neighbors, even though that is barren.

I asked Eng 'Abd-al-Jalil Sumaydah, public director in the Irrigation Department of the Governorate of al-Sharqiyah and one of the persons responsible for implementation of the project, about the problems in this area specifically. He said that there will of necessity be damaged parties in project and that there will be immense compensations for everyone who is damaged. The course of the canal has been governed by a number of considerations, among them the costs of excavation and the existence of orchards which have been cultivated for some time on the canal route, if it proceeds on a straight course. This all makes the route necessary.

I asked him to explain his statement to me on the map, and he said that these maps were secrets of the job and that nobody was permitted to study them. I asked him if what was recorded on them was correct. He replied that he had examined them himself and found that they corresponded to what existed on the ground.

The Governor: Irrigation Is Responsible

I presented the complaint to Maj Gen Amin Mitkis, the governor of al-Sharqiyah, who said:

"The Ministry of Irrigation is wholly responsible for the al-Salihyah Canal project in its entirety, and the sketches and maps come approved by it. The governorate has nothing to do but participate in the supervision of project implementation." Some time ago, he ordered that deeding be prohibited on land situated in the project lest problems occur, and there will be massive compensation for all landowners whose properties will be appropriated.

The Minister Has an Opinion

However, Minister 'Abd-al-Hadi Samahah, the minister of irrigation, emphasizes, "The ministry will make adjustments in the course of the canal to skirt people's homes and some other vital installations, and this is a necessary technical procedure.

"On the other hand, we will prohibit the performance of any adjustments on the area of the canal before directly referring to the ministry and acquiring its agreement, in order to ensure that no unjustified measures occur."

"The ministry is studying the complaint of the problem of the village of East al-Qassasin and if they are in the right with regard to that we will have to give them what they are entitled to."

11887

CSO: 4802

CULTIVATED LAND TO BE HIT BY PEACE CANAL REVIEWED

Cairo AKHBAR AL-YAWM in Arabic 27 Dec 80 p 3

[Article by Tahani Ibrahim and Muhammad al-Zarqani: "90 Percent of Cultivated Land Is in Dumyat"]

[Text] The Peace Canal's current location was selected to avoid population areas and to make it proceed along the routes of certain existing watercourses, facilitating construction activities. This causes us as far as possible to skirt agricultural lands and use the existing levees of the governorates, the governorates the canal will use, and whose lands will be appropriated, some of which is owned by the government and some by the inhabitants. Since the Peace Canal originates in Dumyat, the agricultural lands whose ownership will be appropriated in this governorate totals about 90 percent of the lands to be appropriated in all the governorates, which is less than 300 feddans. Ninety additional feddans remain in al-Sharqiyah and al-Isma'iliyah. As for the route of the canal in al-Daqahliyah Governorate, that is within the boundaries of [Lake] al-Manzalah. Therefore, no land was appropriated.

Eng 'Isam Radi, the governor of Dumyat, says that the modifications made in the route of the canal were for technical reasons because the canal was planned on a map at a scale of 1 to 25,000, and the scale ought to have been 1 to 2,500. Therefore it became apparent on construction that the canal would intersect small branch canals and drains and would cut off some main roads. Therefore, the modification was made following the agreement of all the inhabitants. While the people of Dumyat think that they are the ones most damaged by excavation of the canal, they were won over after they learned that they would acquire alternative land on evaporated land in Lake al-Manzalah. A committee will be established by the Ministries of Agriculture and Irrigation to appraise the value of the reclaimed lands, and each farmer will be given an area of land whose price will be estimated at that of the appropriate land.

An Entire Estate Was To Be Destroyed

The Peace Canal will also pass through al-Sharqiyah upon emerging from Lake al-Manzalah. Maj Gen Amin Mitkis, governor of al-Sharqiyah, says that the canal will irrigate 96,000 feddans north and south of al-Hasaniyah and that a number of modifications have actually occurred which the public interest required, among them, for example, a place where the original course of the canal would have swallowed up an entire estate. That was modified so that no one would be damaged.

As regards the course of the Peace Canal in the city of Port Said also, Sayyid Shiha, its governor, stresses that there are no appropriation problems in Port Said because the canal would intersect part of Lake al-Manzalah, and the other portion is in barren land, or reclaimed land owned by the government.

11887

CSO: 4802

OIL MINISTER OUTLINES FUTURE PLANS FOR SECTOR

Cairo AL-AHRAM AL-IQTISADI in Arabic 1 Dec 80 pp 22-25

[Article: "Hope and Action in the Egyptian Petroleum Sector"]

[Text] Since the dawn of the seventies, oil has become one of the main focal points about which the Egyptian people's aspirations to attain their hopes for economic prosperity and the welfare of all citizens revolve.

Oil is no longer just a source of energy which causes the blood of life and vitality to course through the arteries of the domestic economy and daily life; today, it has become the most important source of the foreign currency which is essential for economic and social development. Even the Suez Canal, which is the second biggest source of financing, participates in this role, since it is the most important artery through which Arab Gulf oil flows to its markets situated west of the Suez Canal.

On most of the occasions in which he addresses the people, President al-Sadat has expressed the hopes he has attached to oil in the stage of attainment of welfare, on whose threshold we are standing today.

Today, the oil sector is celebrating its fifth anniversary; it is an occasion which we will seize to convey to the reader some of what is going on in the head of Eng Ahmad 'Izz-al-Din Hilal, deputy prime minister for production and minister of petroleum, who is the man who took charge of leading the oil sector a short time before and during the glorious October war, and still is in the position of leadership of the sector, causing it to set forth from success to success and bringing about achievement upon achievement.

[Question] Today, as the Egyptian petroleum sector is celebrating its fifth anniversary, would you be so kind as to give the reader a picture of your personal feelings and impressions, as you are celebrating this anniversary?

Eng Ahmad Hilal: Perhaps the best thing for me to start with would be to direct gratitude and praise to almighty omnipotent God for the success he has bestowed on us in serving our beloved Egypt, God's land of Kinanah.

Through toil, sweat and blood, the past 10 years have experienced the petroleum sector's emergence from a stage of struggle to attain self-sufficiency in oil products to a broad takeoff of growth and prosperity. The beginning of the takeoff was the oil sector's full performance of its role during the glorious October war.

Thus the sector, with and through the nation, passed from a stage in which provision of our requirements was a burden on the balance of payments to a stage when oil became the most important source for satisfying economic and social development's foreign currency requirements.

/Question/ You mentioned in your statement before the Electricity, Power and Petroleum Committee of the National Party conference that it was estimated that Egypt's production of crude oil and natural gas would come to 50 million tons (a million barrels a day) in the mid-eighties. Does the petroleum sector have a specific strategy to ensure this great goal?

Eng Ahmad Hilal: Great goals are realized only through sound planning and serious, devout work.

Our strategy is founded on clear scientific bases. Everyone working in the petroleum sector knows full well that the realization of more oil discoveries first and before all else demands expansion in the scope of exploration activities and intensification of geological seismic survey and exploration drilling activities.

In the period between 1963 and 1973, Egypt was able to attract foreign companies to work in Egypt only within very narrow limits. It made just four contracts with three companies of two nationalities; when the great Egyptian crossing occurred in 1973 and the stability which was subsequently attained, thanks to the upright, bold policy our devout President al-Sadat pursued, international companies agreed to complete to obtain broad areas on which to operate, and we managed to conclude about 55 agreements with 34 oil companies belonging to 13 different nationalities.

These companies committed themselves to spending about \$1.1 billion on exploration activities, and it is expected that other new oil exploration agreements will be concluded in the remaining period of this year and 1981.

Thanks to the concentration of activity in this fashion, it has been possible to realize more than 20 new oil discoveries while guaranteeing financing for exploration and development activities which require the expenditure of massive investments, most of which are in foreign currency, without exposing the domestic party to the big risks with which oil exploration operations are characterized.

We are awaiting the attainment of further discoveries, with God's permission.

/Question/ What is the outcome of this intensified activity in exploration activities, and what is the result of the new discoveries?

The deputy prime minister: Thanks to the intensified activity, and consequently the attainment of new discoveries, the country, in addition to concentrating on the development and workover of fields previously discovered and the return of the Sinai oilfields, has achieved a good leap forward in two fields the volume of discovered reserves and the volume of oil and natural gas production.

Fixed reserves came to 2.88 billion barrels of crude oil and 1.66 billion barrels of natural gas.

As regards production, the country has made a leap in the volume produced, from about 7.5 million tons of crude oil in 1974 to 27.4 million tons of crude oil and petroleum gases in 1979; of this the nation's share is 24.2 million tons, totalling 1,467,400,000 pounds in value.

It is anticipated that production in 1980 will reach about 32 million tons, whose value in world oil market prices will come to about \$7 billion.

We have great hope that the efforts exerted in the field of exploration, which are constantly increasing, will enable us to reach the goal, which is to raise crude oil output to 50 million tons (1 million barrels a day) in the next 5 years, with God's permission.

/Question/ Have the other stages of the oil industry, in particular the oil refining and processing stage, expanded in the same way as the production stage has expanded and are these stages growing along with the growth of our oil output?

The deputy premier: The other stages have progressed in the same manner, whether in the field of refining and processing, in the field of oil transportation by various means, or in the field of local marketing, distribution and consumption.

The fact is that the oil refining industry's goals differ from those of the crude oil and natural gas exploration and production stage.

The studies we have made have demonstrated that the exportation of oil in crude form is more profitable than the attempt to export it in the form of refined products. This may be attributed to international market conditions and successive expansions in refining capacity in the worldwide context and in the oil producing countries. Above and beyond this, increasing refinery capacity requires massive investments which can be directed to other economic and social development fields which are more feasible.

For this reason, Egyptian refining policies have been drawn up in such a way as to make local refining capacity adequate to satisfy the local oil market for refined products.

The volumes of crude oil processed in Egyptian refineries in 1979 came to about 12.3 million tons, and it is expected that this volume will increase to more than 14 million tons this year, 1980 (it was just 7.5 million tons in 1972). It is worth pointing out that the Egyptian oil refining industry has exerted great efforts in recent years to cover local consumption requirements and produce special products, and this has realized big savings in imports.

In addition, the petroleum sector is carrying out projects aimed at increasing refinery capacity to 17.3 million tons with the advent of 1985. It is estimated that this capacity will be slightly above the predicted requirements of the local market this year.

Question What about local consumption requirements? Your excellency warned, before the National Party national conference at the end of last September, of the danger of a rapid increase in local oil product consumption requirements; could you explain what policy must be followed to limit the growth of consumption, and the extent to which it can be applied?

Eng Ahmad Hilal: In 1979 the volume of crude processed in Egyptian refineries was about 12.3 million tons, as I mentioned above; of this amount, around 9.8 million tons were consumed, we exported about 900,000 tons in products, and about 1 million were used to supply ships. Last year we imported about 1.5 million tons, most of it butane; that is, our consumption in 1979 came to about 11.3 million tons. I mentioned before the conference that our oil consumption was only about 6.6 million tons in 1973 -- that is, the rate of increase in consumption in 6 years came to 63.7 percent an annual growth rate of about 9 percent, and it is predicted that the consumption rate this year will come to about 13.5 million tons (whose value is estimated, according to the world market price, at about \$3 billion).

That is to say, Egypt's oil consumption growth rates are very high by all standards, in comparison with the rates of consumption growth in various countries, be they industrial or developing.

The industrial countries belonging to the Organization of Economic Cooperation and Development managed to freeze their consumption or reduce the rates of growth in their consumption of oil for a number of years following the October 1973 war and the rise in oil prices, and the annual growth rates of consumption in a number of them dropped just 2 percent or even less.

I demand that our oil consumption be frozen, but that will not be possible while Egypt is in the stage of developing its economy if this development depends on energy. In addition, exerting the necessary care to guide consumption and energy and avoid extravagance or waste in consumption absolutely does not mean that that will affect the welfare of consumers. Rather, the goal and the means of guiding consumption is to raise the efficiency in the use of the energy resources available, so that the quantities consumed can give a higher efficiency in accordance with better use. This is what the policies of energy conservation in the advanced industrial countries depend on. I am perhaps convinced that it is within our power to reduce the rates of increase of energy consumption by guiding our oil products consumption.

Guiding consumption is a common procedure in the first place and it must arise from an awareness of the value of every drop of oil. The energy production sector is striving to expand, diversify and raise the efficiency of the services it offers consumers. For example, it is striving to have natural gas replace fuel oil in the household and industrial sectors. The use of natural butane in homes (the project of bringing it to homes has started) will result in savings in butagas consumption, and the use of this gas in industry and electricity generation will result in savings of the oil consumed in them.

We are in contact with various economic activities in order to consult on the most successful means for guiding energy consumption in general and that of oil in particular.

This is in addition to the fact that the oil sector will soon offer new legislation to encourage international oil companies to search for natural gas in Egypt.

[Question] Taking oil in terms of the volume and form of the "oil industry," what is the form of the oil industry in Egypt now, and the plan for the future?

Eng Ahmad Hilal: Through a thorough reading of the new projects which are being put into effect, we find ourselves facing a tremendous leap in the establishment of oil complexes and industries; by way of example, but not exclusively, there are:

A new complex to produce lubricating oils in Alexandria.

An increase in the current lubricating oil producing capacity in both Suez and al-'Amiryan to about 260,000 tons per year, thus realizing self-sufficiency in this oil, of which we are currently importing 46 percent of local market requirements.

The olefin complex project to produce polyethylene plastics. This is a material for which demand in the local market is increasing with the increased development and industrialization activities in the country.

A study to establish a major energy refinery comprising the most modern technological methods in refining and processing activities.

Construction of a 270-kilometer pipeline to transmit crude oil from the Shugayr area on the Gulf of Suez to the refineries in Suez and Cairo, with a throughout capacity starting at 8 million tons a year and reaching 12 million tons during the 5-year plan.

Implementation of the petroleum gas gathering project in the Gulf of Suez area for use in producing butagas and in the fertilizer industry.

Increased attention to natural gas exploration projects in the Western Desert, Delta and northern Sinai, in addition to a study on what must be done to encourage specialized international oil companies to explore for natural gas in Egypt and rapidly develop gas fields.

Implementation of the project for a system of natural gas for household consumption in the place of butagas in al-Mu'adi, Hilwan, Madinat Nasr and Heliopolis (160 housing units) over 4 years, and performance of studies on the use of natural gas in homes in Alexandria and al-Jizah.

Eng Ahmad 'Izz-al-Din Hilal, the deputy prime minister and minister of petroleum, says that the oil plan is aimed at the development of fields which have been discovered and at increasing the production obtained from existing, by using the most modern scientific methods, including methods which the world has started applying.

The rise in crude oil prices following the 1973 events /resulted/ in the extraction of amounts of oil which ordinarily were abandoned because of the high cost of producing them in comparison with the low prices prevailing before 1973.

The deputy prime minister added that close to \$1.4 billion were spent on development operations between 1973 and the end of May 1980. Of that, \$1 billion were financed through foreign companies.

The deputy prime minister and minister of petroleum stresses that one result of this policy has been an increase in oil and gas production from around 7.5 million tons in 1974 to about 27.4 million tons in 1979; our ambitious plan is aimed at reaching the goal of a million barrels a day, or 50 million tons a year in 1983-84. And attainment of this plan is concentrated on intensifying discovery and development operations in the eastern section, the Western Desert, the north coast and the Nile Valley. This has been granted to the petroleum sector, in addition to contracts which have actually been reached with international companies to search for oil.

It is worth pointing out that total production in the fields during the fiscal year 1980-81 is estimated at about 31.9 million tons, of which 30 million are crude oil and 1.9 million are natural gas and condensate.

/Question/ The role of oil in financing economic development is increasing in importance. Could you give the reader some figures to clarify this role?

Eng Ahmad Hilal: Yes, thanks be to God. It is worth recording that our oil imports constituted a heavy burden on our balance of payments; these came to \$230 million in 1974. However, this deficit was transformed into a surplus, and this surplus continued to increase, until it reached \$1.66 billion in 1979. It is expected that it will reach \$2.15 billion in 1980. Oil sector exports have started to account for about 60 percent of the value of Egyptian exports, and oil has become a major source of foreign currency for the government.

The oil sector is helping to support the public treasury of the government -- a contribution which has weight. The total the Egyptian General Petroleum Authority and its companies provided to this treasury was about 115 million pounds in 1974; this rose to 1,494,000,000 pounds in 1979, and it is expected that that will increase to 2.21 billion pounds in 1980.

I beseech great beloved God to bless the fruits of our sweat and labors and hope that Egypt will always remain God's land of Kinanah.

The oil sector realizes a daily income of \$4 million for the state treasury.

Two hundred thousand cubic meters of natural gas will be used per day after the gas transmission system is extended to the Heliopolis and Hilwan sections.

Natural gas reserves in three fields came to 670 /sic/ billion cubic meters, 20 billion cubic meters of which are in the Abu Madi gas field, 20 billion cubic meters are in the Abu al-Gharadiq gas field, and 27 billion cubic meters are in the Ab Qir offshore field.

Natural gas reserves will cover 70 years' consumption at a daily consumption rate of 3 million cubic meters.

Oil drilling and exploration will cover 600,000 square kilometers.

Oil revenues come to \$17 million a day.

We consume \$8 million worth of oil output a day.

Thirty-three international and independent companies of 13 different nationalities will spend \$1.19 billion searching for oil in the course of 8 years.

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CSO: 4802

BELAYIM PETROLEUM COMPANY OUTLINES DISCOVERIES, OUTPUT

Cairo AL-MUSAWWAR in Arabic 28 Nov 80 p 61

[Article: "Belayim Oil Company Stresses Its Vital Role in Oil Exploration and Production Activities and Oilfield Development"]

[Text] As Egypt progresses toward the attainment of its oil goals of increasing oil production and processing, it has an influential role in world oil movement. It relies primarily upon its specialized human resources and in this it has the support of the massive achievements which have been made thanks to the unremitting, sincere efforts of Egyptian staffs and experts who have worked in silence and diligence under an umbrella of concern for the family spirit by which the Egyptian oil sector manages its affairs and discusses its problems. In this spirit, the members of the Belayim Oil Company, with their long practical experience, headed by Eng Muhammad Tawfiq Shawqi, chairman of the board of directors, the leaders of petroleum activity within the company, and the people working in it, have managed to succeed. It is well known that Belayim Oil Company was established by Law No 16 for the Year 1978, under an agreement to commit itself to oil exploration and production in some areas of the Gulf of Suez and the Nile Delta made between the Arab Republic of Egypt and the Egyptian General Petroleum Company, and the Egyptian International Oil Company.

The company's oil producing fields are the Firan, Abu Rudays, Sidr and Bala'im Onshore shore fields, whose output currently comes to about 108,000 barrels. Natural gas is produced by the Abu Madi gas field in the Delta Valley, whose production capacity now comes to about 3.4 million cubic meters a day; the gas is used to produce ammonium nitrate and urea in the fertilizer plants in Talkha and is used as fuel in the electricity plants in Talkha and the textile plants in al-Mahallah al-Kubra.

Since oil is one of the country's most important natural resources, the company has directed all its attention to developing its fields. Oil exploration, exploitation and production operations developed in noteworthy manner following the return of the fields in December 1975.

The features of this development may be summarized by an increased number of exploration and development rigs, activation of oilwell workover activities, and projects, as well as the discovery of new trends in current exploitation areas, which gave tidings of a tangible increase in crude reserves in the onshore and offshore production following the return in December 1975:

Year	Annual Production Rate (Barrels)	Daily Production Rate (Barrels)	Percentage Rate of Increase or Decrease from 1976
1976	23,600,000	64,658	--
1977	24,500,000	67,123	+ 3.8
1978	29,400,000	80,548	+24.5
1979	33,075,000	90,616	+40.1
1980 (estimated)	38,430,000	105,000	+62.4

Concomitant with the country's policy of industrialization and planning for industrial resurgence, the company's management is exerting great efforts to develop natural gas and associated condensate production from the Abu Madi field in the northern Delta, so that the rate of daily production may reach about 165 million cubic feet of gas and 3,000 barrels of petroleum condensate a day. Thus the Belayim Oil Company will remain one of the pioneering companies in the production of the country's most important national resource, petroleum, which, today, is considered truly to be one of the important buttresses of national income in the Arab Republic of Egypt.

God is the granter of success.

11887

CSO: 4802

ENERGY

GENERAL PETROLEUM COMPANY CITIES ACHIEVEMENTS

Cairo AL-MUSAWWAR in Arabic 28 Nov 80 p 58

[Article: "General Petroleum Company"]

[Text] It is the pioneering domestic company in the field of exploration and production.

The General Petroleum Company was established in 1957, becoming the first domestic oil company to be engaged in oil exploration and production activity.

The company was established with capital of 1 million pounds, which has increased and is now 7.8 million pounds.

Invested capital on 30 June 1980 totalled about 112 million pounds and reserves are about 63 million pounds.

Since its establishment, the company has made eight oil discoveries in the Eastern Desert:

Bakr, 1958.

Karim, 1958.

'Amir, 1965.

Shuqayr, 1966.

Umm al-Yusr, 1968.

al-'Uyun, 1969.

Khayr, 1973.

The al-Khalij-4 discovery in 1980, which is under evaluation.

The company also has owned the Ra's Gharib field, which is the oldest field in the Eastern Desert area, since 1964, along with the Sudr, 'Asal and Matamir fields in the Sinai area.

In addition to the foregoing, the company, on assignment from the government, carries out a number of projects concerned with the discovery of groundwater sources in the desert areas and the paving of a system of desert and food self-sufficiency roads.

11887

CSO: 4802

ENERGY

GULF PETROLEUM COMPANY OPERATIONS ARE SUMMARIZED

Cairo AL-MUSAWWAR in Arabic 28 Nov 80 p 63

[Article: "The Gulf of Suez Petroleum Company"]

[Text] Since the Gulf of Suez Petroleum Company was established in 1965, it has been continuing its efforts in oil exploration and production operations, in its belief in its mission of building the domestic economy. The year 1980 has been distinguished by the attainment of many major achievements and record figures. At the beginning of the year, the company's total crude oil production came to 1 billion barrels, and the rate of daily production on 28 April 1980 from the company's fields in the Gulf of Suez and the Western Desert came to more than half a million barrels.

The company is now producing approximately 77 percent of the daily [oil] output of the Arab Republic of Egypt as well as 45 percent of daily natural gas production and 100 percent of the output of the butagaz derived from these gases.

In addition, the major portion of the plan to develop Area 195, which is now producing at a rate of 60,000 barrels a day, has been carried out and the plan to develop the rest of the area is being completed. In addition, a new reservoir has been discovered in the same area producing 10,000 barrels a day.

In addition, development of the Shu'ab 'Ali field and improvement of its facilities is underway, now that it has been reclaimed, and a number of new fields have been discovered in the Gulf of Suez which are being evaluated now; also, a new well has been discovered in the Western Desert area and that has been put on production.

In addition, offshore drilling activities in the Gulf of Suez and drilling onshore in the Western Desert to develop existing fields and bring production up to levels which had not previously been achieved are proceeding apace. In addition to this takeoff in the attainment of new objectives, activities of constructing the facilities necessary for additional production at Ra's Shuqayr and Abu al-Gharadiq are going through the final stages of completion.

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CSO: 4802

OIL ACTIVITIES IN NATION IN 1979 SUMMARIZED

Cairo PETROLEUM in Arabic Sep-Oct 79 pp 71, 72

[Article by Samihah Isma'il: "Oil in the ARE"]

[Text] Oil Activity

Egyptian oil activity in the period January through September 1979 realized noteworthy progress in various facets of oil activity when compared with the same period of the previous year, as follows:

Crude Oil Production

Crude oil production totalled 19.35 million tons as compared with the target 18,973,000 tons, an increase of 377,000 tons, or 2 percent, and an increase of 1,350,000 tons or 8 percent over the same period of the previous year.

In addition, oil production was 5 percent over target in the Petroleum Company, 2 percent in GUPCO (Gulf of Suez) and 2 percent in GUPCO (Western Desert).

Petroleum Gases

Production of petroleum gas totalled 584,000 tons, as compared with the target of 566,000 tons, an increase of 18,000 tons or 3 percent, as compared with 425,000 tons in the same period of the previous year, or an increase of 159,000 tons and 37 percent.

Condensate

During this period, 112,000 tons were produced, as compared with the target of 123,000 tons and 103,000 tons in the same period of the previous year.

Gharadiq Butagaz

28,000 tons were separated at the Dahshur plant, as compared with the target of 27,000 tons and 13,000 tons in the same period of the previous year.

Foreign Trade

A. Exports

The value of exports came to 730.27 million pounds as compared with the target of 527,931,000 pounds, an increase of 202,339,000 pounds resulting from the increase in oil prices, and an increase of 475.81 million pounds as well in comparison with the same period of the previous year (the price, starting in 1979, was at the encouragement rate for foreign currency, whereas up to 1978 it had been at the official foreign exchange rate).

B. Imports

The value of imports came to 123.5 million pounds, as compared with a target of 137.0 million pounds, for savings of 13.5 million pounds or 10 percent. In comparison with the same period of the previous year, imports increased by about 77 million pounds, or 165 percent (the value as of 1979 was at the encouragement rate).

C. Balance of Payments

Concomitantly, the balance of payments surplus came to 607 million pounds as compared with the target of 391 million pounds, an increase of 216 million pounds or 55 percent, as well as an increase of 399 million pounds or 193 percent over the same period of the previous year.

Refining

1. Crude Oil Processed

The volume of crude oil processed came to 9,466,000 tons, as compared with the target of 9 million tons, or an increase of 5 percent. In addition the volume of crude treated in comparison with the same period of the previous year increased by about 313,000 tons or 3 percent.

Investments

Total investments made in the period January-September 1979 came to 50.12 million pounds, or 37 percent of the investments allotted to the petroleum sector in 1979, which total 136,863,000 pounds, as is shown in the following table:

Project	Approved for 1979		To Be Carried out in the Period	Value of Ma- terial Con- struction in Period		Percent of Target Reached To To Period Year (percent)	
	Local	Foreign		Local	Foreign		
Exploration and Production Sector	45,859	33,403	34,182	14,414	7,859	42	31

Project	Approved for 1979		To Be Carried out in the Period	Value of Material Construction in Period		Percent of Target Reached To Period Year (percent)	
	Local	Foreign		Local	Foreign		
Refining and Processing Sector	42,198	26,284	31,789	19,806	5,058	62	47
Transportation and distribution Sector	48,806	25,682	32,915	15,900	5,241	48	33
Grand Total	136,863	85,369	98,886	50,120	18,158	51	37

Geophysical Crew Activity in the Period January-September 1979

Geological exploration teams realized the following activity in the first three quarters of 1979 (January-September):

One: Western Desert

During this period, two seismic exploration crews were active in the Malgah, al-Razzaq, al-Bahriyah, al-'Alamayn - Yadma, West al-Farafirah, Ajis and Yur areas (Sitra area) regions; total seismic lines came to 2,688 kilometers, or 17 crew-months of work.

Two: The Delta

In the various areas of the Delta -- West al-Mansurah, al-Husayniyah, Kafr al-Shaykh, and Abu Madi - one onshore seismographic crew was working, making a general survey of 79 crew-months of seismic lines at a rate of 8.3 crew-months of work.

Three: Sinai

The Western Geophysical Company team finished its seismic program in the al-Qantarah area in the salt flat area in mid-January of the year; total seismic lines in this period came to 25.5 kilometers, or a volume of 0.5 crew-months. It then resumed its activity in the force majeure areas in July, where the total area came to 214 kilometers or a work volume of 2.8 crew-months.

Four: The Gulf of Suez

Work remained concentrated in the Gulf of Suez areas, in view of their importance, because of its great petroleum potential, in addition to the resumption of exploration activities in the areas which had been subjected to force majeure circumstances in south Bala'im in July of the year. The seismic lines totalled 1,693 kilometers, or a work volume of 8.31 crew-months.

Five: The Red Sea

Hope is being revived in exploration activities in the Red Sea areas, where 853.3 seismic kilometers were recorded, carried out by the Esso-Company geophysical survey boat (Ungayaravo) in the month of May.

11887

CSO: 4802

VARIOUS OIL INDUSTRY STATISTICS PRESENTED

Cairo PETROLEUM in Arabic Sep-Oct 79 pp 73, 74

[Article by Yahya Zamzam: "The Statistical Section"]

[Text] Oil Industry in the Arab Republic of Egypt

Development of Crude Oil and Natural Gas Production in Egypt (unit is million metric tons)

Year	Crude Oil	Natural Gas	Total	
1960	3.333	--	3.333	
1965	6.478	--	6.478	
1970	14.806	--	16.404	[sic]
1971	14.806	--	14.806	
1972	10.720	--	10.720	
1973	8.479	--	8.479	
1974	7.453	--	7.453	
1975	11.734	0.033	11.767	
1976	16.568*	0.115	16.683	
1977	20.846	0.405	21.251	
1978	24.299	0.749	25.048	
1979	25.354	1.048	26.402	

*Egypt regained the Siraï fields as of December 1975.

Crude Processed in Egyptian Refineries (unit is million metric tons)

Year	Volume of Crude Processed	Imported Crude	Local Crude
1960	4.468	2.068	2.400
1965	8.453	3.921	4.532
1970	3.371	1.028	2.343
1971	5.035	1.528	3.507
1972	6.473	1.263	5.190
1973	6.876	1.467	5.409

Year	Volume of Crude Processed	Imported Crude	Local Crude
1974	7.210	2.669	4.541
1975	9.137	2.304	6.833
1976	10.432	1.550	8.882
1977	11.090	--	11.090
1978	11.750	--	11.750
1979	12.000	--	12.000

Development of Local Consumption of Main Oil Products in Egypt (unit is thousand metric tons)

Year	Butagaz	Gasoline	Kerosene	Distillates/ Diesel	Heavy Fuel Oil	Ship Supply
1960	20	262	736	786	2,783	358
1965	59	287	928	1,147	3,010	879
1970	100	524	820	1,201	3,039	131
1971	119	567	940	1,214	3,205	171
1972	136	490	983	1,230	3,202	225
1973	153	521	1,033	1,308	3,299	301
1974	159	586	1,109	1,223	3,320	270
1975	179	672	1,188	1,335	3,639	613
1976	212	746	1,255	1,477	4,012	1,018
1977	248	851	1,305	1,657	4,292	1,145
1978	292	977	1,380	1,838	4,182	1,442
1979	335	1,015	1,450	1,141	4,192	1,770

Development of Oil Exports and Imports in Egypt (Price, million metric tons)

Year	Imports	Exports	Balance of Payments
1960	20.076	6.268	- 13.808
1965	30.688	15.751	- 14.937
1970	49.523	31.985	- 17.538
1971	41.887	21.736	- 20.151
1972	41.414	18.027	- 23.387
1973	72.988	24.694	- 48.294
1974	164.815	73.053	- 91.762
1975	149.669	123.587	- 26.082
1976	129.920	252.204	+ 122.284
1977	70.774	284.280	+ 213.506
1978	71.954	371.959	+ 300.005
1979	256.200	921.200	+ 665.000

11887

CSO: 4802

STRUCTURE OF DOMESTIC ENERGY CONSUMPTION SURVEYED

Cairo PETROLEUM in Arabic Mar-Apr 79 pp 42-44

[Article by Eng Halim Murqus: "Energy in the Arab Republic of Egypt"]

[Text] Introduction

There is no doubt that energy, and the quest for new energy sources, has become one of the most important issues occupying the main focus of the world's attention. This is because oil, by its nature as a non-renewable source of energy, has, with scientific and technological progress, become a commodity too valuable to be burned as fuel -- it is preferable to direct it toward the manufacture of petrochemical products, and therefore the search for new energy sources has become the most important thing preoccupying the world in our modern era.

Therefore, it was natural that the Arab Republic of Egypt should direct special attention to what is known as "new energy" energy which is renewable and will end only when the world ends, as well as polluting neither the air nor the water, which are the two basic elements of life. Therefore thought has been given to development of of scientific and technological studies by using non-traditional energy sources, including solar and wind power. Encouraging such a study has been the fact that Egypt enjoys promising potential for solar and wind power use, which may be ascribed to its bright sun and the fact that it lies on the Mediterranean and Red Sea coasts.

First: Electric Power

1. Electric power is considered one of the pillars of economic growth and a basic element in the exploitation of the country's resources and wealth and establishment of industrial, agricultural projects, service and public utility projects. Electricity participates in a major way in attainment of the standard of living people want.

In order to obtain this energy, by traditional custom, the situation requires:

- A. The existence of the fuel needed to operate thermal and gas plants.
- B. Maximum use of drops in water levels.

From the above, it is clear that the most important source of energy so far will be oil, oil products and natural gas, until the experiments to obtain new energy from various sources succeed.

The existence of a firm relationship between the rate of increase of domestic income and the rate of increase of electricity consumption has been established; since per capita electricity and steel consumption have become a criterion of the advancement of nations and the extent of their economic and social resurgence.

2. In the sphere of industry, we find that electric power is the pillar on which all modern industries are based and it sets their potential and the extent of their development. In addition, electric power is to be considered the basic primary material in some important industries, such as aluminum and fertilizer.

3. In the field of agriculture, electric power is used for running irrigation and drainage pumps in order to irrigate high ground, drain from low ground and consequently to expand land reclamation, increase the cultivated area in the country and increase agricultural production in order to cope with the constant population increase.

4. In the realm of transport and communications, the role of electric power in operating railways and transport lines inside towns is well known, above and beyond its role in operating telecommunications and the media of radio and television.

5. In the field of public and private lighting, and in small and agricultural industries in the rural areas, it has an effective role in raising the standard of living of peoples and developing their latent abilities.

6. The relationship between increases in per capita national product and increases in electric power production has been known for some time; this is confirmed by the study Japan has made on the rates of increases in national product relative to rates of increase in electricity production in 111 countries up to 1968. It is apparent that an increase in either of these two variables will lead to noticeable increase in the other variable.

It is clear that the average per capita consumption of electricity in the Arab Republic of Egypt is still much less than that of similar countries in the world. In comparing per capita consumption rates in the Arab Republic of Egypt with some advanced countries, the following becomes apparent:

In the Arab Republic of Egypt, per capita consumption is 250 kilowatt hours per year.

In Norway, per capita consumption is 14,500 kilowatt hours per year.

In the United States, per capita consumption is 7,600 kilowatt hours per year.

In Western European countries, per capita consumption is from 2,500 to 4,000 kilowatt hours a year.

In Kuwait, per capita consumption is 500 kilowatt hours per year.

In Lebanon, per capita consumption is 500 kilowatt hours per year.

These rates are all much higher than those of per capita consumption in the Arab Republic of Egypt.

7. The development of electric power consumption in the Arab Republic of Egypt.

Year	Unit (million kilowatt hours)
1973	6,178
1974	6,895
1975	8,068
1976	10,000
1977	12,000
1978	13,600
1979	14,900
1980	16,150

This shows that electric power use in the Arab Republic of Egypt increased by 260 percent in 7 years.

The shares of power use in the various sectors were as follows

	Industry	Agriculture	Town Councils	Public Uses	Home Use	Other Uses
1974	55	9.9	11.9	7.3	12.1	3.7
1975	58.1	8.1	11.9	7.1	11.9	2.9
1976	60.4	6.7	12.7	5.7	12.0	2.5

In view of the great increase in demand for electric power in the Arab Republic of Egypt, the government in 1967 seriously began to expand power generation by traditional means and to think seriously of new energy production.

Second: Use Of Drops in Water Levels

A project has been studied to generate electricity by the Qattarah Depression, by bringing water from the Mediterranean to the depression and using the difference between sea level and the level of the depression to generate electricity. It is expected that the project will be completed in 1985 if all the conditions, especially those regarding transportation, are met.

Third: Expansion in the Establishment of Thermal and Gas Plants

The Arab Republic of Egypt is now engaged in establishing a number of thermal and gas plants. It is expected that this plan will be completed in 1985. These plants will have a capacity of about 3,000 megawatts. The two Suez plants, possessing a capacity of 3,000 megawatts, will operate on gas associated with crude and it is expected that they will be piped from the fields to Suez. These are the first plants to operate on this gas and use it; previously, it had been completely burned off.

Fourth: Use of Solar Power

A program has been set out to study the use of this power in the following areas:

- A. Heating water for household purposes (camps, hospitals, schools, universities, plants and so forth).
- B. Air conditioning.
- C. Cold houses and freezers.
- D. Crop drying.
- E. Water irrigation pump operation.
- F. Water desalinization.
- G. Electric power generation.
- H. Natural cures and spas.

Fifth: Use of Wind Power

Work is now underway on a comprehensive meteorological survey of wind sources in Egypt and composition of a map of Egypt on the seasonal climatic distribution of this power and variations in it during the day and in the course of the year. It will also determine the best sizes for units for generating electricity by wind power in a manner appropriate to the volume of electricity requirements in locations where they are to be erected, in addition to investigating the possibility of locally manufacturing generating units, windmills and accessories.

Sixth: Geothermal Energy (Thermal Energy from the Ground)

The interior of the planet contains tremendous thermal energy; the energy stored in a layer 10 kilometers thick is sufficient for meeting the world's current energy requirements for about 10 million years.

The countries now exploiting this energy are the United States, Ireland, New Zealand, Italy, Indonesia, the Soviet Union, Mexico and Japan.

This energy is used in the form of steam to run electric plants in heating water and some industries such as sulphur mining and leaching and heavy water separation.

Preparation of regional geothermal power maps in the north of the Republic of Egypt and the Gulf of Suez is now being completed, and it has become clear from these studies that Egypt is rich in such energy sources, because the level of the thermal gradient in some areas is greater than 35 degrees centigrade per kilometer. Also, the Aswan area is rich in geothermal resources in the granite rocks which are spread about in various parts of this governorate.

Seventh: Power from the Oceans and Lakes

The water temperature in the oceans and lakes differs between the surface and the depths the farther down we go, dropping gradually with increased depth; for this reason, one can extract great energy by using thermal pumps in the Red Sea, the Mediterranean and Lake Nasir.

In addition to that, the tides and waves constitute another source of energy from the sea; although the Egyptian seas have limited tides, there are places where energy is present in the waves on the Mediterranean and Red Sea coasts.

Eighth: Energy from Wastes

This energy is produced by submerging plant, animal and human wastes in a manner whereby microorganisms which live in the wastes dissolve them and produce methane gas and carbon dioxide as well organic fertilizer.

In Egypt, agricultural wastes are used as fuel in the paper and particle board industries and the like, and animal wastes are used in the leather industry and as fuel. However, we find that there are current studies to exploit these wastes in the optimum manner with participation with Sweden in this field.

In addition to the foregoing, Nile roses and algae may be a great source of energy, used in an economic manner rather than causing the water of Lake Nasir to evaporate, as in the Sudd area of the Sudan. Cooperation may continue between Egypt and the Sudan in the energy field to exploit agricultural wastes in the Sudan.

Ninth: Nuclear Power

Nuclear power is the issue of today and tomorrow. Nuclear resources harbor power which is far greater than that which can be obtained from other fuel sources. Nuclear power has imposed itself and become a necessity, which obligates the Arab countries, in the present era, to be concerned with keeping abreast of the international trend in research and applications of the atom. Nuclear power plants and the reactors annexed to them are model centers for the development of science and technology. For all these reasons, the Arab Republic of Egypt has begun to start a study on erecting a plant to generate electricity from nuclear power with a capacity of 600 megawatts, and it is expected that it will be completed in 1963, for purposes of covering part of the country's requirements of this power.

11887

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ASPECTS OF ENERGY CONSUMPTION, CONSERVATION REVIEWED

Cairo PETROLEUM in Arabic Sep-Oct 69 pp 49-52

[Article by 'Abd-al-Fattah al-Baradi: "Guidance of Oil Products Consumption"]

[Text] At the present time, the world's nations are spending great sums of money on scientific research in the hope of being able to use non-traditional energy sources on a broad economic scale. At the same time, these countries, especially the industrial ones, are striving to pursue techniques for conserving energy by economizing in the consumption of oil and inventing means and equipment to realize savings in and improve consumption.

The interest of these industrial oil-consuming countries in this matter may be attributed to the following:

The continuous, permanent increase in crude oil prices since the October 1973 war.

The increase in fields of oil products use, which has led to an increase in demand for them.

The population increase and the continuous economic progress in many countries, which has also led to an increase in the volumes of oil products consumed.

At the same time, this has not been met by a corresponding increase in oil discoveries which would allow equilibrium in prices to be realized.

A study of the rates of increase in the consumption of oil products which have been attained in the Arab Republic of Egypt in previous years, in addition to a study of expected consumption in coming years, will underline the need to give absolute priority to studies which will investigate or result in the guidance of consumption. It has become essential to study means for using our natural resources and financial and human resources for optimum exploitation and guiding them toward serious, effective action to increase national product, alleviate the sufferings of the people and achieve their desired welfare. It is certain that every drop of oil we save in this field we will be able to export, and consequently that will contribute a great share in rectifying our economic course.

The following table shows the development of estimates on oil products consumption in the Arab Republic of Egypt in the years 1979-85 and the rates of these products:

Estimates of Oil Products Consumption in the Years 1979-85 (Units are thousands of tons)

Type of Product	1979	1980	1981	1982	1983	1984	1985	Percentage Increase Over 1979
Butagas	335	403	463	539	362	745	885	264
Super gasoline	630	720	790	860	660	1,050	1,150	183
Regular gasoline	340	350	350	350	350	350	350	183
Kerosene	1,450	1,620	1,720	1,820	1,930	2,050	2,170	150
Ordinary distillates	1,720	1,840	1,970	2,110	2,260	2,410	3,580	150
Electric power distillates*	150	400	600	800	1,000	1,200	1,200	800
Diesel	110	110	110	110	110	110	110	--
Heavy fuel oil	4,160	4,500	5,000	5,800	6,600	7,500	8,000	192
Total	8,895	9,943	11,003	12,389	13,532	15,415	16,445	185
Natural gas	837	2,700	3,200	4,000	4,500	5,000	5,000	597

*Consumption of electric power distillates will decrease with the linkup of plants to natural gas, when that permits.

The figures set down in this table show that oil products consumption is constantly increasing. In the period 1979-85, this increase will come to more than 250 percent in the case of some products, and this calls for a study on justifications for increasing the consumption of each product in isolation and striving to reduce it to the narrowest limits when possible, especially since the whole world has begun to suffer from the energy crisis and the rise in energy prices, as we pointed out previously.

Breakdown of consumption:

Oil products consumption may be broken down into:

Government and public sector consumption.

Domestic sector consumption.

The following table shows the estimated percentage increase of government and domestic sector shares of the consumption of major products:

Product	Government Sector (percent)	Domestic Sector (percent)
Gasoline	40	60
Kerosene	1	99
Distillates	20	80
Heavy fuel oil	53	47

This table shows us that gasoline and distillate products account for a large part of the ratio of government sector to public consumption. The rate of government sector consumption of heavy fuel oil output is constantly increasing since it is linked to the constant increase in electricity and industry activity.

We will therewith deal with recommendations to guide consumption in the government and domestic sectors.

First: Guidance of Consumption in the Government Sector

One can break down government and public sector consumption of oil products according to types of activity as follows:

1. Means of transportation.
2. Industry and electrical power.

Means of transport:

In these, gasoline and distillate products are used, and we recommend the following:

It is necessary to concentrate on the government and public sectors in guiding gasoline and distillate products consumption by indoctrination, the use of collective modes of transport for employees, reduction in the means of individual transport whenever that is possible, and attention to the constant maintenance of means of transport which will lead to a drop in fuel consumption.

Gasoline products:

These are used in small cars. To control their consumption, it is recommended that the monthly quota of each vehicle or the monthly quota of each unit combined be restricted.

Distillates:

These are used in the railways and public transport, both in buses or in vehicles for transporting cargoes. This activity can be guided through constant surveillance over their use and maintenance and through assignment of a specific driver to each vehicle, preparing a card for each vehicle while setting production incentives and bonuses for drivers and maintenance teams which commit themselves to rules and instructions which result in fuel savings and vehicle maintenance.

Industry and electric power:

In general, heavy fuel oil products are used in these areas. In the last 2 years, natural gas has been used as an alternative to heavy fuel oil, and it is expected that its use in industry and electric power will increase in coming years.

Consumption of oil products in industry and electric power is guided by guiding the operating methods in industries and the electric power plants themselves, and there

is no doubt that increased consumption in these two activities does not in any way show extravagance -- rather, an increase in the consumption of fuel (oil products) is generally matched by a corresponding increase in production or an increase in the number of plants using more fuel. This of course is praiseworthy and desirable.

Second: Guidance of Consumption in the Domestic Sector

Gasoline and distillate products:

The reasons for the increase in consumption of these two products may be ascribed to the following causes.

Increase in the number of cars of people coming in from abroad.

An increase in local automobile production.

Kerosene products:

The causes for the increase in kerosene products consumption may be attributed to the following:

The natural increase in the population.

The introduction of electricity into rural areas, which has led to a rise in the standard of living of the inhabitants and a change in life style.

Heavy oil products:

The rates of increase in heavy fuel oil consumption are to be considered natural and correspond with the increase in living requirements resulting from the population increase which entail the use of heavy fuel oil products.

General Recommendations To Guide Consumption

Concentration on the government and public sectors in the guidance of consumption as regards gasoline and distillate products.

Good planning for the road system, paving it in a proper manner and striving to eliminate traffic bottlenecks, especially in Cairo, Alexandria and the main towns, which will undoubtedly influence the consumption of gasoline and distillate products.

Implementation of projects for roads outside the city in both Cairo and Alexandria to eliminate bottlenecks in traffic inside the city and the excessive idling of stationary automobiles, which leads to increased fuel consumption.

Determination of a maximum speed limit for vehicles such as cars, buses and trucks.

Improvement of service in public means of transportation and group vehicles which may result in reduced use of private cars, the feeling that it is not necessary to use them, and consequently a reduction in their rates of operation.

Establishment of full service complexes in various sections of Cairo to entice people working in these areas to buy their requirements from these complexes and restrict movement to maximum necessities.

Permitting transfers of apartments so that working people will be close to their worksites, saving movement and reducing pressure on communications.

Improving service in telephone communications facilities, which will lead to the performance of much work by telephone, obviating the need to use means of transport.

The need to enter into the field of alternate energy use, especially solar power, over a broad scale as an alternative to oil products.

Rapid construction of projects bearing on the use of the power available from petroleum gases in the field of industry and homes.

Orientation of studies and technical and economic research toward the innovation of equipment or methods which will help realize savings in or guidance of consumption.

A study of the repricing of all petroleum electricity products to lead to guidance consumption of these products and their use in proper manners.

11987

CSO: 4802

POWER MINISTER DISCUSSES ELECTRICITY PRICING

Cairo AL-AHRAM AL-IQTISADI in Arabic 1 Dec 80 pp 7, 8

[Article: "A Talk with the Minister of Electricity: It Is Possible To Negotiate Electricity Prices for Liberalization Companies -- on One Condition!"]

[Text] In a special discussion with AL-AHRAM AL-IQTISADI, Eng Mahir Abazah, minister of electricity, declared that he was prepared to review the prices of electricity for liberalization companies, which is currently sold at world prices, if it is demonstrated that economic feasibility studies for these projects, in which the Investment Authority has given agreement, are made on the basis of these companies acquisition of electricity at the subsidized price. He added "However, the Investment Authority must present this to the Ministry of Electricity, in which event the ministry will study these applications." However, he went on to say that he believed that the liberalization companies had offered feasibility studies on their projects on the basis of acquisition of electricity at the unsubsidized price because they planned to sell their products or services at an uncontrolled price, and would not be committed to the pricing set forth by the government. This is the reason why the government has offered these companies energy at the world price; it is unreasonable for the government to acquire heavy fuel oil at the world price, which is now ranging from \$150 to \$200 a ton and is required for the generation of electricity, and offer it at a subsidized price of \$10 per ton, while these companies sell their products abroad at the world price. Is the government being asked to bear the burden of subsidizing these companies, so they can sell at the price they want?

He went on, "If these companies commit themselves to selling their products at the pricing set by the government, they will in that case obtain energy at the subsidized price."

[Question] [Not included]

[Answer] Priority in providing electricity in the coming stage will be given to projects for self sufficiency in food, automated bakeries and land reclamation projects. We are currently participating with the Ministry of Land Reclamation in studying supplying electricity for 1 million feddans to be reclaimed in the east and central Delta and Sinai. We are now also studying the new towns requirements for electricity. It has become apparent to us that the towns of 10 Ramadan and al-Sadat will each require 100 megawatts and the town of 15 May 25 megawatts in the coming 10 years. What we are aiming at is to have our planning include the provision of electricity for these towns as well as for projects involving the mining of coal in Sinai and to study supplying the electricity plant near al-'Arish.

[Question] [Not included]

[Answer] Our most important achievements this year: up to this year, we managed to electrify 3,980 of the villages in the Egyptian countryside, which total 5,500, that is, 72 percent of the total; in 1969 this rate came to 6 percent. Up to 1952, Egyptian villages had not seen electricity.

[Question] [question missing]

[Answer] Our electricity consumption is increasing constantly, while our resources, at their current levels, cannot meet these increases. Consumption tripled in the last 10 years, from 6.9 billion kilowatts in 1970 to 18.5 billion kilowatts this year. Studies show that this consumption will increase to 60 billion kilowatts in the next 20 years. If we review the rates of increase in detail, we will find that the rate of consumption in 1972 was just 1 percent, jumping after the 1973 war to 15 percent; the leaps followed one another, totalling 19 percent in 1976, then had a relative drop to 16.5 percent in 1977, 15.5 percent in 1978, and 10 percent in 1979, reaching 12 percent this year. It has become apparent that the industrial sector consumes 60 percent of the total energy sold now. This percentage has been stable for 3 years. Inside this sector, we find that the Kima plant alone consumes 2 billion kilowatts, that is, one-ninth the power generated, and the aluminum complex consumes 3 billion kilowatts, or one-sixth the capacity generated in Egypt (which totals 18.5 billion kilowatts). With the increased industrialization activity, especially the construction of cement plants and the new sponge iron mill, it is expected that the industrial sector will absorb 65 percent of Egypt's power in 1985. As for the remaining sectors, we find that the irrigation sector is now consuming 5.5 percent of the power sold.

General uses, and the towns, consume 4.5 percent, and consumption by households, government bodies and town councils absorb 30 percent.

[Question] [Question missing]

[Answer] In order for us to talk about a solution, it is necessary to realize that electricity in Egypt is generated by two sources, the High Dam, which provides 10 billion kilowatts, and thermal plants, which produce 8 billion kilowatts. The High Dam's capacity is fixed and will not increase. The solution is either to increase the thermal plants, which will mean increasing heavy fuel oil consumption whose price on the world market is rising or for us to turn to nuclear power, which is inevitable, and will be able to provide one third our needs; a single plant can produce 6,000 megawatts. Therefore, we are turning toward them, and all safety factors will be provided in them.

11887

CSO: 4802

ENERGY

FREQUENCY OF POWER BLACKOUTS IN CAIRO EXAMINED

Cairo AKHBAR AL-YAWM in Arabic 27 Dec 80 p 5

[Article by Dina Rayyan: "Voltage Drops in the Capital -- Suddenly We Are Shifting to the Age of Candles!"]

[Text] Suddenly the voltage drops or the electricity is cut off, and people are shifting from the age of electricity to the age of candles!

People in charge of electricity give warning and demand that consumption be limited and guided, lest we be taken by surprise in 2000 and find that we are living in darkness, as if the age of electricity -- here only -- had taken flight and ended.

There are many reasons for the drops in voltage, most important and primary of which is the continuous excavation activities are those in which bull dozers are used. These cut up and shred cables without mercy, as they operate on behalf of public sector building companies the government.

In addition, decorations and weddings in which hundreds of lamps are lit by public cable contribute to the process of bringing on darkness.

On these occasions, as observed by Eng Mahir Abazah, the minister of electricity, these large numbers of lamps operate on a single cable. The result is a total blackout enveloping entire sections and turning weddings into a pitch-dark gloom.

Some officials treat the problem lightly, stating that it is not a noticeable phenomenon but happens as a transitory matter as the result of the theft of current and nothing more.

The minister of electricity says, "The drops in voltage alone are not the reason. The low voltage suddenly rises and burns out appliances. The basic reason is the use of bulldozers. We have wholesale complaints in many sections, Shuora especially."

The minister of electricity says, "We follow up on the progress of the bulldozers and excavation activities and go after them. They sever cables and we repair them. In an area supplied with five cables the bulldozers will sever four, and then the voltage for the entire section is carried on one cable. The result is a drop in

voltage, and all this confusion. Repairs and excavation in Greater Cairo are a continuous, unending process. It is not reasonable for the electricity to remain at the mercy of the blades of bulldozers belonging to the public sector of the government."

Jalal Radwan, head of the Technical Affairs Section, adds two factors which cause the drop of voltage, "the increase in the loads on the cables over their design capacity, which leads to a drop in voltage, although it is possible to supply these sections with cables that have a design capacity that will permit such loads, and, secondly, the occurrence of breakdowns in supply cables, which leads to a reduction in current, which does not last long -- just upon notification of it, the repair is done immediately.

"The drop in voltage in homes is not a phenomenon!

Dwellers Do Not Notice and Appliances Suddenly Burn

"Even if a drop actually does occur in the voltage, that happens in a manner which the dwellers do not notice; however, we follow up on this situation, even if it lasts a long time. As regards drops which the public does not notice, these do not exceed 10 percent and do not affect modern appliances, especially if we prepare them and the period of the drop is short. However, any drop in excess of this percentage can affect appliances that have motors, such as washing machines and refrigerators. Other electrical appliances are not affected at all. The type of effect can reach the extent where these appliances are burned if the drop is repeated more than once and if the drop is for an extended period. Drops that the public notices do not last more than 24 hours, and priority is given to correcting them according to the priority and occurrence of the complaint."

An official source in the Ministry of Electricity told us:

"It has happened that bulldozers actually caused voltage drops recently in al-Hilmiyah, Shubra and al-Jabal al-Asfar."

Afterward Jalal Radwan, head of the Technical Affairs Section of the Cairo Electricity Distribution Systems, asserted that he refused to say that the system design was not in keeping with and was not developing with their analysis, which had no connection with the drop in voltage in some sections, and that there was no connection between the new construction projects or new buildings and these drops, but, to the contrary, the drops usually occurred in old sections and were merely the result of defects or disturbances in the cables!

Development of Systems To Cope with the Loads

An official source considers, "The process of failing to develop systems and the increase loads may have an effect on drops, but we are developing these systems in order that they can keep up with increased loads. There are medium-voltage design offices in every section and the renovation and development of systems continues in order to cope with the new loads and constant expansions in the city.

"There are no specific sections in which this phenomenon exists; it is not in the context of sections, but in single houses, as a result of internal rather than external factors."

The official source raised an important element which is embodied in the process of increasing charges and the inability to obtain chambers for transformers, which are known as "electricity kiosks."

Some section, such as al-Duqqi, may put up additional floors in some buildings, and the transformer chambers in this section do not develop so there naturally immediately occurs a drop in voltage.

Refrigerators Are Innocent But Not Air Conditioners

Modern electrical appliances are totally innocent in regard to voltage reduction, except for air conditioners, which alone take 13 amperes. The problem is that these appliances have started coming into Egypt as necessities, and their proliferation in single housing units and the failure to notify the company immediately before their installation result in increases in the loads and therefore a drop in the voltage and the start of the complaints. If the solution concerns the transformer chambers which can be installed in sizes appropriate to the number of housing units in each section, that can save us from the problem of the drop in voltage even if there is no frightful phenomenon. If the problem concerns air conditioning appliances the solution is to notify the company, and the same is the case with decorations and festivities.

What, however, is the solution regarding the bulldozers which are now spread about in the places that are most affected and which are engaged in activities of constructing overpasses and important facilities?

The minister of electricity says,

"We will not stand with our hands tied in the face of the sudden severing of cables by these bulldozers; we are now putting out what are known as spearheads to protect houses from sudden increases in voltage, if three or four cables are severed in a section. We have actually started laying these spearheads out in sections like Garden City and al-Ma'adi and we will introduce a plan into the heart of Cairo which will include all of it.

"We are also faced with this constant development and growth in construction with corresponding expansions in the system. In a month I laid out about 50 kilometers of new and replacement cable.

"Setting forth decisive laws to restrict Cairo's electricity consumption now will be for the good of our people; otherwise, they will be faced with dark gloom in 2000."

The minister concludes his statement by saying,

It may be necessary to create new customs which are in keeping with current circumstances, but that is not so much the responsibility of Electricity as of the public and media. We are obligated to serve, but taking decisions is the responsibility of the people and the political leaders."

NUCLEAR POWER CONSTRUCTION ENVISIONED

Cairo AL-AHRAM in Arabic 22 Dec 80 p 1

[Article: "Ministerial Production Committee Determines To Start Construction of Eight Nuclear Plants To Generate Electricity"]

[Text] The Ministerial Production Committee has determined to start carrying out the national nuclear electricity generating plant program. The program involves eight plants with a total capacity of about 8,000 megawatts (about triple the capacity of all existing electrical plants). Four of the plants will be built on the Red Sea coast and four others will be built along the north coast.

In addition, the committee, under the chairmanship of Eng Ahmad 'Izz-al-Din Hilal, deputy prime minister and minister of petroleum, agreed yesterday to start immediately adopting the measures necessary for operating these plants in accordance with the most up-to-date international systems.

The committee agreed to strategic electricity sector projects for up to 2000 as prepared by Eng Muhammad Mahir Abazah, minister of electricity and power. These are concentrated on using nuclear plants for power, increasing generating capacities to about 23,000 megawatts and exploiting available water power to generate electricity, in addition to using the replenishable power sources of the sun and the wind.

In the fields of peaceful uses of nuclear energy to serve development, the Production Committee gave its agreement in principle to the draft republican decree bearing on ratification of the nuclear arms nonproliferation treaty which was signed in London, Washington and Moscow in 1968 prior to presentation to the Council of Ministers and conveyance to the People's Assembly.

This strategy also comprises a phased plan from 1980 to 1990 in which generating plant capacity will increase to 10,000 megawatts with the startup of operation of the first nuclear plant.

The committee reviewed a report by Dr Muhammad Da'ud, minister of agriculture, on the increase in the growth rates of agricultural production in 1980. The value of this output increased by 350 million pounds over its level the preceding year.

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CSO: 4802

URANIUM OUTPUT SLATED FOR EASTERN DESERT

Cairo AL-'UMMAL in Arabic 29 Dec 80 p 3

[Article: "Egypt Enters the Era of Nuclear Power: Uranium Mining in Egypt for the First Time, Deep in the Eastern Desert"]

[Text] In silence, with the utmost seriousness, mine and quarry workers have started a new stage on Egypt's history, the stage of nuclear power. In silence, the General Union of Mine and Quarry Workers has started to hold a big celebration in the Eastern Desert on the occasion of the start of mining of uranium ore for the first time in Egypt, from the first mine to be excavated in the Wadi Atallah area between Qina and Safaja deep in the Eastern Desert.

'Abbas Mahmud, chairman of the union and membership and union organization affairs, Secretary of the General Federation of Workers' Unions, stated that the union is preparing to hold this celebration, to which it will invite Dr Fu'ad Muhyi-al-Din, the deputy prime minister, Mr Sa'd Muhammad Ahmad, minister of state for manpower and vocational training and chairman of the General Federation of Workers' Unions, Eng Taha Zaki, minister of industry and mining, and trade union leaders, to commemorate the successful effort the mineworkers have made in silence and with devotion in search of Egypt's mineral wealth, in order to reach this wealth and extract it. This effort is now resulting in the discovery of tremendous volumes of rare radioactive minerals, including uranium, for which the first mine has been excavated and in which ore extraction actually started a few weeks ago, so that Egypt may thereby start to enter the era of the extraction of nuclear power.

Egypt will never live in hunger for energy!

Perhaps it is a good coincidence that the discovery of uranium and other radioactive minerals and nuclear materials has occurred in Egypt with the growing anxiety which has begun to dominate the world in fear of an aggravation of the "energy crisis" or the likelihood that the most important contemporary source of energy, oil, will be depleted.

At a time when this anxiety started to dominate the world, the early signs of new oil discoveries in Egypt began to increase from time to time. Not only that -- our Egyptian scientists managed to discover nuclear material ores, including tremendous uranium deposits, totalling 50 up to now, in diverse areas. The matter has even reached the point where a new authority has been established in Egypt, the

"Nuclear Materials Authority," chairmanship of which was assigned to the Egyptian scientist Shadhili Muhammad al-Shadhili.

Start of the Story of the Accomplishment

The start was about 5 years ago, when exploration teams of Egyptian experts carried out exploration activities in various locations in the country resulting in the discovery of uranium ore in an area of about 8 kilometers in the Wadi 'Arabah area of the Eastern Desert. Scientific studies in the semi-industrial experimental laboratory of the Nuclear Materials Authority confirmed that the ore discovered was good, soluble and processable and that its presence extended to the depths of the earth, stressing the presence of other amounts in the deposit.

After a discussion of the detailed scientific report which Dr Muhammad 'Abd-al-Hukm Mahdi, chairman of the semi-industrial experimental department of the authority, had prepared, it was decided that excavation teams would be dispatched to the area to determine the volume of ore and investigate the possibility of establishing a production plant headed by Dr 'Abd-al-'Ati Badr, chairman of the section on development of the northern Eastern Desert.

Behind the Radioactive Treasurers in Egypt

These operations lasted two whole years, using modern equipment which covered the radiation emerging from rocks and seeking the assistance of aerial maps which are prepared through recourse to aerial survey craft and photographs from Academy of Scientific Research and Technology remote tracking stations. Vehicles were also used which carried radiation measuring equipment. Then, in a following stage, chemical analysis were made of the rocks in which the ore was located in order to determine the percentage of uranium and mechanical excavation operations were started at medium depths to evaluate the volumes of ore and confirm that reserves were present which would permit the establishment of a production plant.

Uranium in Five Locations in the Eastern Desert

Dr Shadhili Muhammad al-Shadhili, chairman of the Nuclear Materials Authority, declared to members of the Workforce Committee in the People's Assembly during its visit to the site of the first uranium mine in Egypt that the existence of uranium ore had been proved in five locations in the Eastern Desert - Wadi al-'Atshan south of al-Qusayr, the al-Sikkat area and al-'Ardiyah between Qina and Safaja, the al-Za'faranah area, and south Aswan.

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FUTURE OF SOLAR ENERGY REVIEWED

Cairo PETROLEUM in Arabic Sep-Oct 79 pp 43-48

[Article by Ahmad Nur-al-Din: "On the Use of Solar Energy in Egypt"]

[Text] Egypt is considered one of the sites best suited for the use of solar energy because of its appropriate climatic conditions; it enjoys clear air with little cloudiness and a dry climate free of dirt and dust most of the year, which helps in the high-efficiency absorption of solar radiation.

The solar energy falling on land in Egypt is estimated at an average of 400 calories per square meter in the winter months, rising to about 700 calories in the summer months. When we conceive of the possibility of using the solar power falling on Egypt's land area, which amounts to about 1 million square kilometers, in full, it is possible to obtain the equivalent of 15 to 20 million tons of oil, even if the conversion rate remains at its current low level, which is only 3 percent.

The direct uses of solar power may be broken down into these three main categories:

First, "low thermal use" of this energy, which occurs through the absorption of solar rays decending through or distributed in space in an unconcentrated manner and converting them to thermal energy. In this manner one can reach temperatures of less than 100 degrees centigrade which can be commercially used in the following areas in many industrial and developing countries:

1. Heating water for household and commercial purposes (cooking, washing dishes and clothes, bathing, and heating by ventilation).
2. Heating water for industrial purposes -- hot washing in the textile, dyeing, tanning and other industries, dissolution of mineral salts, heating boiler water, and so forth.
3. Drying vegetables, fruit and other agricultural products.
4. Distilling water (in areas remote from habitation).
5. Ventilating houses, hotels and hospitals in summer and winter.

It has been possible to produce suitable appliances for exploiting solar energy commercially in most of these fields in many countries at prices competitive with other traditional methods, after they were partially subsidized in order to encourage this new trend in the production of alternate energy and expansion of it to make it possible partially to dispense with petroleum energy in these fields.

Second, the second use of direct solar energy is oriented toward high temperature uses through the concentration of solar radiation by the use of numerous forms of mirrors and lenses. One can thereby obtain high temperatures which can be used in what are called "solar furnaces" in industrial activities such as metal smelting or heat exchange, or in the production of steam for industrial and agricultural purposes and indirect conversion to electricity. This use is still in the realm of research, development and field experimentation to be developed in a manner fit for commercial use.

Third, the third use is the area of direct conversion of solar energy into electrical power through the use of semiconductors in what are called "solar batteries." Although this method has been technologically developed for certain special purposes such as space flights and for use in certain isolated areas of the world, the costs of the electricity derived from it are still more than 100 times greater than the costs of the electricity produced by traditional means.

One study carried out to examine energy in Egypt recently predicted that encouraging the use of solar energy for purposes of heating water for household and commercial uses in the near term then for producing high temperature and electricity in the distant term would make it possible to have this renewable energy substitute for about 5.6 million tons of exhaustible crude oil in 2000; this will represent about 9 percent of Egypt's primary energy requirements at that time, as this study estimates.

Herewith are some accomplishments which have been made in the field of the local manufacture of solar heating appliances which some of the companies and bodies concerned have carried out:

1. The Arab Contractors Company

In June 1978 this company contracted with the Solar Energy Laboratory of the Scientific Research Academy to use the local engineering design which this laboratory prepared to produce a prototype solar heater with a capacity of about 150 gallons a day to heat water for household purposes.

Execution of this design started at the company's Shubra workshops in 1978, but completion of production of the prototype appliance was suspended in December 1978 as a result of some technical and administrative difficulties.

2. The Egyptian Mechanical and Electrical Industries Company (Kahrumika) (An Egypt Electric Authority Company)

The solar energy committee subordinate to the Higher New Energy Council decided to form a working group to supervise the construction of a prototype solar water heater.

The committee held its first meeting in May 1977 and it was decided to assign the Kahrumika Company (an Egypt Electric Authority Company) to construct a model heater of the simplest system appropriate for use in intermediate housing.

The company presented a design on this heater which the committee approved because of its simplicity, and the company manufactured and installed the heater in August 1977.

The heater consists of a solar collector (without using water pipes, that is, based on the radiosol system), a hot water tank made of plastic and insulated with fiberglass, and a mounting for the collector and the tank which will allow the collector to be turned and swung in any direction.

The performance of the solar heater was good to an extent, but it was observed that some inconveniences arose as a result of the failure to use transparent glass, the accumulation of dirt on the cover and its infiltration through the outer frame, and the blockage of water channels as a result of the collection of dirt and some materials suspended in the potable water.

The working group recommended the manufacture of two other prototype heaters in which care will be given to eliminate these defects and raise the capacity of the collector while adding an auxiliary tank so that water pressure may be kept constant, in addition to a second heater operating on electricity or butagaz for use in the event the solar heater breaks down.

This advice has not yet been carried out because of some technical difficulties which arose during construction. It appears that the Kahrumika Company is now tending to rule out this design since it recently contacted the solar energy laboratory to obtain the design which this laboratory had prepared in order to execute that instead of the original one.

3. War Factory 360 (Belonging to the War Industrialization Authority)

This plant is in the process of finishing manufacturing a model solar water heater in cooperation with a West German company. However, construction of this model has not yet been completed because some of the manufacturing equipment is not adequate, and attempts are being made to acquire special equipment to fabricate heating pipes and install them on the outer absorption panel.

4. The Arab Solar Energy Exploitation Company

This is an economic liberalization company which is situated in Abu Sir, al-Badrashayn District.

The company presented a model of a heater (which it is now selling) at the industrial and agricultural fair. The company declared that it was manufacturing this heater in a number of sizes, ranging from 130 to 500 liters, at a price ranging from 190 to 650 pounds per heater. The company offers a 3-year warranty for the heater.

The company also declared that it was possible to manufacture central units which were more suitable for central hot water use in buildings, hotels, hospitals and educational buildings.

Solar Heater Testing

1. A Bid To Import 1,000 Solar Water Heaters

The Egypt Electric Authority has declared an international bid to import 1,000 solar water heaters.

In December 1978 it selected 18 of the bids tendered in order to conduct tests on them and confirm that they corresponded to specifications by using the solar testing laboratory presented by the government of West Germany as part of a technical cooperation agreement with it.

The authority will subsequently distribute the heaters to be imported to various sites in areas of the republic in order to promote the use of these heaters, appraise the real benefit from them in various parts of the Arab Republic of Egypt, and set forth special Egyptian specifications for them which conform to climatic and environmental conditions in various areas of Egypt.

2. New Laboratories To Test Performance of Various Models

As part of the agreement on technical cooperation in the field of solar energy use signed in July 1977 between the Solar Energy Committee of the Higher New Energy Council, the French Nuclear Power Authority and the (Sofertios) Company, agreement was made to import a laboratory to test the performance of various central solar collector models the French party had specified to serve such public areas as hospitals, schools and the like.

This plant is now being installed in the Ultra High Voltage Center of the Egypt Electric Authority. As part of the technical cooperation agreement with West Germany signed between the Egypt Electric Authority, the German Ministry of Technology and Research and the German company AEG in January 1979, a station to test solar water heaters was imported and is now being installed in the Egypt Electric Authority's Ultra High Voltage Research Center.

3. The Scientific Research Academy Solar Energy Laboratory

There now is an integrated laboratory for performance tests on solar heaters, and some serious research is going on on different types of such heaters and the extent to which they are suited to climatic conditions in Egypt, in addition to other research. Model appliances are being built to study high temperatures (steam production) and refrigeration.

Other Solar Energy Uses in Egypt

1. Establishment of an Information and Documentation Center

The technical cooperation agreement with the French Nuclear Power Authority includes construction of a center to gather, categorize and publish information, standards and documents bearing on solar power which will be equipped with an electronic information system.

The floor of the new ministry building (adjacent to the Egypt Electric Authority Building) has been chosen for this center.

2. Establishment of Mobile Solar Radiation Measuring Stations

Six sites have been chosen for mobile solar radiation measuring stations in various areas of the Arab Republic of Egypt which the French party will import on the basis of the technical cooperation agreement; these measurements will be collected and analyzed in the abovementioned Information and Documentation Center.

3. Installation of a Model Refrigeration and Pumping Unit

The French party, in accordance with the technical cooperation agreement, will import a model refrigeration and freezing unit operating on solar energy with a power of 10 kilowatts and freezing capacity of 6 tons. A site near the housing colony at the High Dam electric plant in Aswan has been chosen for installing it. This unit will also irrigate some nearby orchards.

4. Installation of a Model Seawater Desalination Unit

The French party will import a seawater desalination unit with the solar capacity to produce about 60 cubic meters of fresh water a day. The site for this has been chosen in the jurisdiction of the Red Sea Governorate in participation with the Egyptian Phosphate Company in al-Hamzawayn to provide this company with a source of potable water.

5. Importation of a Model Central Air Conditioning Unit

The technical cooperation agreement with the German Ministry of Technology and Research calls for importation of a model central air conditioning unit. Agreement has not yet been made on the site for this unit.

6. Importation of a Group of Electric Generating Systems

The technical cooperation agreement with West Germany stipulates that a group of electrical systems are to be introduced running on solar power using photovoltaic cells with a total capacity of 10 kilowatts.

These consist of:

A potable water pump with storage, with a capacity of 1 kilowatt.

An irrigation water pump with a capacity of 2 kilowatts.

A salt water dissolution unit with a capacity of 2 kilowatts.

Two marine backup signals with a capacity of 0.12 kilowatts.

A 16-inch colored television set with a capacity of 0.3 kilowatts.

A food preserving unit with a capacity of 1.2 kilowatts.

A water dissolution unit with a capacity of 1.2 kilowatts.

It is expected that the water pump, irrigation pump and color television set will be installed in the village of Mit Abu al-Kawm.

7. A Model Solar Furnace

The Nuclear Power Laboratory of the Scientific Research Academy is now installing a solar furnace to produce steam by solar energy through direct absorption from the sun, using two large mirrors reflecting the sun's rays, one in the form of a lens and the other flat, with a diameter of roughly 5 meters each. It is expected that this furnace will produce steam at a temperature of about 250 degrees centigrade at a capacity of 3 tons per hour.

Problems of Local Solar Water Heater Manufacture

Solar water heaters have been used commercially for a number of years in many industrial countries. Their use has become widespread in America, Europe and other countries, especially Australia, Cyprus and Israel. The simplicity of their design and the ease of manufacturing them have had a big effect in their use, especially in areas remote from habitation where prices of traditional energy are high, if not basically subsidized in these countries.

The flat solar collector ("flat plate") has been used successfully in most of these countries, but there are a number of systems for heating water by using this collector which vary from design to design in their effectiveness and investment and operating costs in accordance with the geographic and environmental conditions in which they operate.

Raw Materials

Steel, aluminum and copper are used in producing these heaters. Glass panels require transparent glass which will absorb most of the solar rays in the spectrum coming in and will not reflect them off.

Manufacturing Activities

The equipment necessary for manufacturing heaters is available in many large shops and local factories in Egypt and involve cutting, forming and welding operations. However, there is a single process which is new to local plants and that is one of pressure of water pipes on the glass absorption panel; the firmer their adhesion the greater the heating efficiency. In place of this method, it is possible to use the radiosol method to heat water adhering to the glass panel without passing it through pipes, but the heat exchange capacity is much less in this case, because of the drop in the heat transfer coefficient with the pressure of the liquid to be heated drops.

There are other auxiliary operations on which the efficiency of the heater also depend. These are galvanization, manufacture of the transparent glass, heat insulation, paint, and production of water containers made of plastic instead of metal.

Problems of Manufacture

1. The problem of attaching the water pipes to the glass solar ray collector is the most difficult one, and has not been solved in conclusive form in the manufacturing ventures previously mentioned.
2. There are problems derived from the failure to merge parts of the collector properly within the framework; this results in the leakage of moisture and fine dust and consequently in a drop in the heater capacity after a short period of operation.
3. Water valves and automatic operating equipment now manufactured in Egypt are not for use for long periods, because of the failure to maintain suitable specifications at the pressures to which they are exposed.
4. The pumps and motors needed for the solar heating system are not locally manufactured at a good level and it will be necessary to import them also until a plant is established to manufacture this equipment in large volumes at specifications suitable for such use.

Recommendations for Accelerating Solar Energy Use

1. Local Manufacture

The efforts being made in Egypt now to manufacture solar water heaters are still in the field testing stage, since none of the manufacturing bodies mentioned above have settled on reliance on a cheap high-efficiency design to make it possible to start executing a project to produce on a large scale, except for the Arab Solar Energy Company, which has offered its production on the market. Nonetheless, officials in the Solar Energy Laboratory assert that the production available is suited to the climatic conditions in Egypt, its efficiency is low, its production level is unacceptable, and, in addition, its sales price is high (the cheapest types are 190 pounds per unit).

In my opinion, the acceleration of production of a high-efficiency solar heater at suitable prices will not take place through reliance on the efforts which are being made by private and public sector companies. Rather, that could lead to a delay in the use of this type of heater in buildings and dwellings whose construction is now being studied to solve the existing housing shortage. Therefore it is necessary that the General Industrialization Authority take the initiative of assuming the local manufacture of these heaters and take rapid serious steps to construct an integrated plant to produce these heaters on a broad scale with specifications suited to the various locations and sites in which these are to be used. To do this, it will be necessary for the local industrialization department in this authority to form a committee of design and manufacturing experts in public sector companies (especially the machinery industry and war industry companies), in addition to experts from the Solar Energy Laboratory, the Egypt Electric Authority and the General Petroleum Authority in conjunction with the bid for 1,000 heaters conducted this year.

After specifying two or three types of such samples, a review will be made of local manufacturing possibilities following contacts with the companies making the design and agreement with them over going cooperation in producing these heaters locally. After that, the measures bearing on construction of an integrated factory for this purpose, or attaching it to a company specializing in similar production, will begin. The investments necessary for this have been allocated in the 1980-85 government development plan for an annual capacity of 100,000 heaters, to rise to close to half a million units a year in 5 years.

2. Sales Prices of Heaters to the Consumer

In order to promote the use of solar heaters, it will be necessary that local manufacture be subsidized by the government, so that it will be possible for public or private sector companies to agree to produce them locally, if only in the first 5 years following construction of a large integrated plant to produce them.

Although the annual cost of using solar heaters is less than that of using electric or butagaz heaters, as has been shown by a study and demonstrated in the following table, their investment costs (between 150 and 200 pounds per unit) will deter many people from buying them, unless the government defrays at least 50 percent of this cost. Since their use will save the government from 10 to 20 pounds a year per heater, (the cost of the electricity or butagaz consumed), it will be possible to recapture the proposed subsidy in a period ranging from 7 to 10 years, and the government will save the cost of this difference which it would have spent on pro-

Annual Costs of Using Solar Water Heaters as Compared with Annual Costs of Using Other Appliances*

Purchase Price of Appliance (Egyptian Pounds)	Gas Stove	Butagaz	Electricity	Solar Energy
Annual Costs (Pounds)				
Cost of energy consumed	5	10	20	--
Maintenance Costs	3	5	5	2
Annual depreciation	3	12	10	10-13.3
Theoretical life span	5	10	8	15
Total	11	27	35	12-15.3

*Source: Study by Dr Ibrahim Saqr, director of the Solar Energy Laboratory, presented to the Energy Research Council of the Scientific Research Academy.

viding electricity or butagaz necessary to operate traditional appliances in the case of every appliance throughout its technical life each year.

It is also worth mentioning here that the government need not continue defraying the cost of a large subsidy for a long period, since the widespread use of solar heaters will lead to a reduction in the cost of manufacturing them when the annual output of the plant to be built for manufacturing this appliance reaches 200,000 to 300,000 appliances a year, that is, 3 years from the start of operation of this plant.

3. Rapid Assimilation of Solar Energy Technology

It is necessary to offer a large amount of encouragement and financial and moral assistance to bodies which are now developing solar energy uses, from the manufacture of solar water heaters to the use of solar energy in producing electricity on a broad scale by direct means through the use of photovoltaic cells.

The government budget must annually contain large amounts to be allocated to these bodies so that they will be able to send large delegations in the fields of manufacture, use, and operations auxiliary to direct and indirect solar energy uses (such as wind energy, geophysical energy and the organic wastes conversion) and for expenditure on the necessary scientific and field studies.

It is necessary to supply the Higher New Energy Council with experts who are specialized in most of these fields and give it complete authority to supervise the numerous bodies which have plans to develop and absorb technologies in new solar energy uses, in order to avoid duplication and ramification of efforts and clashes in approaches.

It is necessary to give greater priority to the different types of technology which it is expected can be easily used in Egypt, and these bodies must provide carefully studies training programs abroad for their specialists in various fields of this technology, including local manufacturing activities for appliances to be provided for solar energy use, so that it will be possible to refrain from importing them from abroad, especially if that manufacture does not require exact technologies and programs homogeneous with those of foreign bodies in order to carry out the necessary studies and research. However, enthusiasm to accelerate solar energy use must not deter us from studying good, accurate means for using it in various fields, since it will be possible to use it competently on a broad scale without imposing financial burdens that are much greater than those we are bearing in conventional energy uses -- otherwise the benefit desired from the requisite shift to new energy will be lost.

The Role of the Petroleum Sector

The petroleum sector, with its various agencies and companies, can take the initiative of contributing a large share to the efforts now being made and the programs that have been set out or are now being set out to speed up the uses of solar energy as an alternative to the uses of electric power and oil products.

It is possible that participation may be confined to helping disseminate the use of solar water heaters and assimilate the technologies for manufacturing them locally, and it is possible that this participation might extend to participation in the conduct of field tests on high-and-low-temperature heating systems, training of technicians and promotion to spread these systems about rapidly in the sector of agriculture, construction and mining and among oil exploration companies in areas remote from habitation.

In the light of the initiatives now underway or which it is planned will be carried out in the near future, it is possible to determine areas where the oil sector can contribute the following form and arrangement specifically:

Strive to allocate a number of technicians and professionals in all production, refining and marketing companies to assimilate technological principles on the use and manufacture of solar energy systems, starting with uses bearing on water heating and drying, and make a training program in the Shell lighthouse for that purpose.

2. Study the possibility of using some machine shops and metal barrel and can production units in some sector companies to contribute to manufacturing some or most of the water heater equipment which is considered appropriate to climatic and environmental conditions in Egypt.

3. Follow up on laboratory experiments the Egypt Electric Authority will carry out to test samples of heaters for which the award is given for the 1,000 heaters the authority intends to buy, participate in extending the experiment to the various areas of the government by requesting the allocation of about 50 of these heaters for testing in areas where the production, refining and marketing companies operate, collect the data concerning them, and discuss that with Electric Authority representatives.

4. Increase participation in assimilation of the technology bearing on solar energy uses by sending groups of employees of sector companies for training in fields of testing the manufacture of solar heating systems in the Solar Energy Laboratory, the Egypt Electric Authority and the companies now performing manufacturing tests.

5. Expand further in the field by sending one or more delegations to France, West Germany and the United States for training in new systems of use, especially in the fields of steam production and water pumping and central heating and cooling systems.

6. Participate in defraying the costs of the subsidy proposed for promoting solar water heater use, in isolated areas (by defraying 50 percent of the cost of the appliance), the costs of marketing company sales and installation of various such heater systems in these areas, then the design and sale of systems bearing on pumping, crop drying and central ventilation in rural, desert and continental areas of Egypt at low prices with excellent service, to help in the rapid dissemination of these appliances and establishment in their use in various sectors, in place of oil products in particular butagaz, where the government incurs a large financial subsidy to promote them at appropriate prices and for whose importation a large amount of foreign currency is required.

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TOURISM

GENERAL ECONOMICS OF TOURIST BUSINESS REVIEWED

Cairo AL-ANBAM AL-IQTISADI in Arabic 17 Nov 80 pp 6, 7

[Article by 'Islam Rif'at: "Our Comment: The Egypt of Tourism -- and Its Tourist Income?"]

[Text] For a long period, I pondered Egypt's "income" from tourism. The bewildering answer which I was seeking to answer was: what is Egypt's real income from tourism?

We do not deny the economic importance that tourism has, which has made it one of the most important sources of revenue in many countries.

Nor do we deny that there is a wave of tourists to Egypt which began in 1974 and is continuing to rise and surge.

There are also more hotels, which are opening every day; regardless of the motives for them, whether they are touristic or merely to profit and benefit from chances for exemption granted to tourist facilities, this process in itself indicates that there are receivers in Egypt which have received a signal from transmitters, which here are the tourist upsurge.

In any event, the bewildering question on the real nature of Egypt's tourist income arose from the way in which we calculate tourist revenue.

Is there really a tangible material revenue, or is the situation restricted to estimates on such income?

If there is a revenue, what is the cost of obtaining this revenue, using the logic of cost-benefit analysis?

If we deal with the manner in which tourist income is estimated, we will observe, at the outset, that it lacks precision, in view of the bases on which the estimates of these revenues, or income, are made. It lays stress on dividing the number of tourists into homogenous groups in terms of average spending and tourist habits (on grounds that tourists are people who stay for periods which do not exceed 30 days), then determining the number of tourist-nights which tourists of various nationalities spend, going by data provided by the Department of Travel, Immigration and Nationality Documents, and using average daily expenditures per tourist (considering that they equal 16 pounds in the case of American tourists,

12 pounds in the case of European tourists, 13 pounds in the case of Arab tourists, 7 pounds in the case of tourists of other nationalities, and 9 pounds in the case of tourists on a rapid excursion.

This accounting method has been criticized from a number of angles, since it does not take the data available to the banking system on actual transfers by tourists into consideration; therefore, these estimates on tourist income differ from the money which might have been transferred through the banks.

Therefore, it is clear that there are two estimates on income from tourism; the first is made by relying on figures for tourist-nights, taking an arbitrary estimate of the average daily expenditures of the tourist into consideration; the second relies on banking system estimates by the system of incentive exchange rates. Neither estimate represents the truth.

The first does not clearly define the notion of tourist, tourist revenues and the manner by which the average daily expenditures of the tourist is determined.

The second does not show the real expenditures of tourists, since it represents that part of tourist income which is transferred through the banks, while other transfers which might involve foreign currency, such as dealings made in the black market, the local currency the tourist brings with him when he enters Egypt, hospitality shown by citizens to tourists, and the exchange of tourist services which might occur, do not enter into its consideration.

Therefore estimates of banking system transfers represent the minimum tourist income, and there is another current from which tourist income leaks out.

If we abandon the errors and gaps in the calculation of tourist income and go back a little in time, to the aftermath of the June 1967 war, we will observe that the most serious economic result of the defeat was embodied in Egypt's loss of foreign currency revenues. The most important sources of these revenues were the Suez Canal, which shut down, the oil of Sinai, over whose fields we lost control, and tourism, which shrank as a result of the war and the tension which prevailed in the region subsequently.

This point specifically explains to us all the economic problems which accumulated after that, which followed in succession and which formed the economic crisis our domestic economy suffered from after the 1973 war.

We lost foreign currency revenues, military spending increased, investments shrank, and national income declined. Thus the Egyptian economy entered a vicious circle; the results of the problem were its causes, and we could not separate the two.

In any event, this vicious circle fortunately continued only for the period of the seven lean years 1967-73, after which, in the wake of the October victory, conditions changed. It is true that accumulated problems appeared, but solutions also started along with them and attempts at reforming the economic course were started.

The canal was reopened, Egypt regained the Sinai oilfields, and waves of tourism started flowing to Egypt.

Thus revenues were again placed in the hands of the Egyptian economy.

If we subject tourist income, as revenues, to analysis, we will observe that it is threatened from two sides:

First, international tourism is no longer the traditional tourism, the tourism of antiquities and culture, the tourism of five star hotels; rather, it has evolved into another current which is totally different; the classic tourism has been transformed into the tourism of vacations, trips, cars, motels and camps outside cities -- outside the context of antiquities in their well-known sense. As long as we have not converted from classic to modern tourism, we will not be able to attract the tourist tide to Egypt. This is a basic necessity if our tourism is to enter the millions.

Second is a serious element, the gist of which is that the free (black) market for foreign currency in Egypt has become the natural field for tourist activity.

The situation requires detail, and figures.

Most plainly and abstractly, using tourist income figures drawn from the Central Bank (see economic indices on tourism in the issue), the results have been as follows:

Tourist income was 86.5 million pounds in 1975, rising to 154.4 million pounds in 1976; that is, the rate of increase was 78.5 percent in 1 year.

The next year, 1977, the wonder of wonders occurred in tourist income; that leapt to 450.5 million pounds, the maximum figure to have been realized by the history of tourism in Egypt; it then declined after that to 409.9 million pounds and 364.8 million pounds in 1978 and 1979 respectively.

It is not proper for us to content ourselves with these "dazzling" results, which are taken as the basis on which we should establish the volume of our revenues and consequently the volume of our expenditures and investments; rather, we should seek further detail in these figures, in particular a determination of tourist income according to source, most important of which are the parallel market and the free (black market), above and beyond such other sources as resident accounts and so forth.

The important thing here is that the terrific leap in tourist income in 1977 was only the result of a leap in tourist transfers from the parallel market, which totalled 442.5 million pounds out of a total tourist income of 450.5 million pounds that year.

The phenomenon was repeated in 1978 when transfers by tourists through the parallel market came to 403.1 million pounds, out of a total tourist income of 409.9 million pounds.

The more serious phenomenon is that the black market for foreign currency became widespread as a means of tourist income, and this is acknowledged in the Central Bank figures.

The size of the tourist income black market rose from 2.1 million pounds in 1975 to 355.3 million pounds in 1979; in another form:

The black market for foreign currency provided tourist income with 355.3 million pounds out of the total income of 364.8 million pounds in 1979.

The black market's share as a source of tourist income was 97.4 percent in 1979.

We present the picture of tourist income in this form to the monetary authorities, so that they may perhaps find a way to correct the course of tourist income, so that it can go into legitimate official channels instead of the pockets of middlemen and agents.

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FIGURES ON NATION'S TOURIST, TOURIST REVENUES TABULATED

Cairo AL-NHRAM AL-IQTISADI in Arabic 13 Nov 80 pp 30-33

[Article: "Tourism and Tourist Income in Egypt, 1975-79"]

[Text] Monthly Breakdown of Tourists (1975 - 1979)

Month	1975	1976	1977	1978	1979	Average	Percent
January	45,790	62,335	63,986	57,767	70,028	60,078	6.1
February	49,275	78,885	67,563	71,455	79,410	69,318	7.1
March	65,590	75,529	76,777	89,519	98,384	81,166	8.3
Total	160,655	216,749	208,326	218,741	247,822	210,556	21.5
April	53,033	80,769	76,659	87,830	89,414	77,541	7.9
May	59,934	70,096	78,941	79,853	77,792	73,323	7.5
June	75,039	77,161	90,544	77,406	77,862	79,602	8.1
Total	188,006	228,026	246,144	245,089	245,068	230,467	23.5
July	95,267	121,188	125,961	106,931	93,713	108,612	11.1
August	85,191	98,827	91,596	92,627	100,970	93,842	10.6
September	50,139	86,696	91,272	113,396	91,824	86,665	8.8
Total	230,597	306,711	308,829	312,954	286,507	289,120	29.5
October	78,794	86,150	91,218	111,419	117,091	96,934	9.9
November	64,628	73,457	82,208	83,651	78,808	76,550	7.8
December	70,381	72,402	67,211	79,994	88,780	75,754	7.7
Total	213,803	232,009	240,637	275,064	284,679	249,238	25.4
Grand Total	793,061	983,495	1,003,936	1,051,848	1,064,076	979,381	100

Source of all data: Central Agency for General Mobilization and Statistics

Monthly Breakdown of Tourist Nights (1975-79)

Month	1975	1976	1977	1978	1979	Average	Percent
January	489,493	459,159	463,807	444,486	551,561	481,701	7.3
February	369,453	475,375	418,476	393,251	451,746	421,660	6.3
March	540,924	596,034	451,945	548,171	646,277	556,670	8.4
Total	1,399,870	1,530,568	1,334,228	1,385,908	1,649,584	1,460,032	21.9
April	440,430	535,250	449,469	588,852	503,622	503,525	7.6
May	377,951	369,193	461,023	428,247	503,410	427,965	6.4
June	492,681	459,793	538,435	487,040	616,269	536,844	8.1
Total	1,311,062	1,454,236	1,448,927	1,504,139	1,623,301	1,468,333	22.1
July	490,860	667,793	742,672	821,032	707,152	685,902	10.3
August	605,907	827,960	557,018	684,592	621,633	659,422	9.9
September	573,289	700,992	675,551	654,440	697,380	660,352	9.9
Total	1,670,056	2,196,745	1,975,241	2,160,174	2,026,165	2,005,676	30.1
October	507,686	581,593	559,636	807,792	636,625	618,666	9.3
November	419,122	519,045	540,975	726,173	665,704	574,204	8.6
December	546,784	513,893	479,913	552,479	503,002	519,214	7.8
Total	1,473,592	1,614,531	1,580,524	2,086,444	1,805,331	1,712,084	25.7
Grand Total	5,854,581	6,796,080	6,338,920	7,136,665	7,104,381	6,646,125	100

Bank Transfers to Tourists (1975-79, in millions of pounds)

Heading	1975	1976	1977	1978	1979	Average	Percent
Parallel Market	41.9	60.7	442.5	403.1	—	—	—
Free Market	2.1	5.4	2.6	0.9	355.3	281.7	96
Transferrable							
Accounts	22.7	71.2	—	—	—	—	—
Other Accounts	15.9	15.2	4.6	2.9	1.6	9.1	—
Frozen Accounts	0.7	1.4	—	1.3	1.9	—	3.1
Payment							
Agreements	3.2	1.8	0.8	1.7	6	2.7	0.9
Total	86.5	155.8	450.5	409.9	364.8	293.5	100
Index	100	180.1	250.8	473.9	421.7		
Annual Change	—	80.1	89.2	-9	-11		

Bank Transfers to Tourists (1975-79, in million of pounds)

Month	1975	1976	1977	1978	1979	Average	Percent
January	5.6	5.6	37.1	33.9	26.9	21.8	7.4
February	4.7	8.4	37.4	33.7	22.9	21.4	7.3
March	5.4	10.4	29.1	31.2	31.4	21.4	7.3
Total	15.7	24	103.6	98.8	81.2	64.7	22.1
April	6.7	9	35.8	29.2	37.9	23.7	8.1
May	6	10.4	32.8	39.6	34.2	24.6	8.4
June	7.7	13.3	40.9	44.8	27.5	26.8	9.1
Total	20.4	32.7	109.5	113.6	99.6	75.2	25.6
July	9.7	18.6	35.3	42.3	37.6	28.7	9.8
August	9.1	22.2	42.9	40.4	31.4	29.2	10
September	6.9	13.5	40.6	32	27.6	24.1	8.2
Total	25.7	54.3	118.8	114.7	96.6	82	28
October	8.2	13	36.5	26.7	28.6	22.6	7.7
November	7.8	15	37.1	19.1	26.2	23	7.8
December	8.6	15.4	45	27	32.7	25.7	8.8
Total	24.6	43.4	118.6	82.8	78.5	71.4	24.4
Grand							
Total	86.5	154.4	450.5	409.9	364.8	293.2	100

Arab Tourists (1976-79)

Nationality	1976	1977	1978	1979	Total	Average	Percent
Libya	78,013	28,428	5,076	6,725	118,552	29,563	6.4
Sudan	63,075	71,162	89,417	105,931	329,585	82,396	17.7
Jordan	98,461	37,115	30,870	24,305	190,751	47,688	10.2
Saudi Arabia	51,235	130,459	165,222	126,179	473,095	118,274	25.4
Syria	38,544	36,229	20,271	14,103	109,147	27,287	5.9
Lebanon	55,757	26,583	20,819	16,364	119,523	29,881	6.4
Kuwait	28,036	27,048	26,828	21,615	103,527	25,882	5.6
Palestine	30,896	27,565	19,200	20,764	98,425	24,606	5.3
Iraq	32,860	26,016	15,492	6,341	80,709	20,177	4.3
Others	57,654	64,341	62,223	54,535	238,753	59,688	12.8
Total	534,531	474,946	455,418	396,872	1,861,767	465,442	100
Average	53,453	47,495	45,542	39,687	186,177		
Index	100	88.9	85	74.2			
Annual Change (percent)	—	-11.1	-4.1	-12.9			

Arab Tourist Nights (1976-79)

Nationality	1976	1977	1978	1979	Total	Average	Percent
Libya	682,512	248,550	44,279	44,939	1,020,280	255,070	6.9
Sudan	446,010	564,587	792,858	1,049,351	2,852,806	713,201	19.5
Jordan	672,173	306,645	331,907	242,968	1,553,693	388,423	10.5
Saudi Arabia	382,443	769,520	1,151,044	1,026,800	3,329,807	832,542	22.6
Syria	314,249	306,706	206,523	133,006	960,484	240,121	6.6
Lebanon	416,295	251,433	217,582	161,804	1,047,114	261,778	7.1
Kuwait	259,795	197,172	223,337	175,227	855,531	213,883	5.8
Palestine	198,441	224,418	187,267	188,800	798,926	199,732	5.4
Iraq	258,497	206,279	116,053	36,240	617,069	154,267	4.2
Others	450,725	453,902	446,354	348,906	1,699,886	424,971	11.5
Total	4,081,140	3,529,212	3,717,204	3,408,041	4,735,597	3,683,899	100
Average	408,114	352,921	371,720	340,804			
Index	100	86.5	91	83.5			
Annual Change (percent)	—	-13.5	5.3	-8.3			

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VARIOUS CHANCES FOR WATER, ELECTRICAL EXPLOITATION OF DEPRESSION REVIEWED

Cairo AL-AHRAM in Arabic 8, 9, 10, 11 Dec 80

[Article by Muhammad 'Abd-al-Tawwab: "Egypt Will Build the Biggest Electric Power Reservoir in the World on the Rim of the Qattarah Depression"]

[8 Dec 80 p 3]

[Text] Now Egypt has made its great decision, which is to build "the great power reservoir" on the rim of the greatest depression in the whole world. With the start of the 21st century, the Egyptians, builders of the High Dam, will possess the first integrated system to produce electricity from solar energy and falling water — together, for the first time — after 65 years of studies and field research, which have gone on from 1916 to 1980, so that the water of the Mediterranean can flow to restore the pulse of life to our Western Desert, which, deep-rooted distant centuries in the past, was crashing with life and development, and so that Egyptians may go back to the abode of their old valley, from which they fled once upon a time, to the Nile Valley, which has become too narrow for them.

Now, amazing efforts are being made and around them almost all branches of science in the world come together — energy, electricity, the atom, geology, the environment, meteorology, economics, agriculture, irrigation, and development planning, which are being rounded out by the lenses of satellites in space in which scholars from West Germany, France, the United States, Switzerland, and Sweden are participating and which the whole world is waiting for.

One can say that the Qattarah project, which President al-Sadat has declared that Egypt has resolved to start implementing at once, will not just be a project to generate and store electricity — it will also, without the least exaggeration, change the face of life all along the northwestern coast and in the heart of the Western Desert to the south.

The basic notion of the Qattarah Depression project is focused on brining Mediterranean water to the depression and exploiting the tremendous difference in the drop (to 50 to 67 meters below sea level) to generate electricity in a base plant. Together with that, there will be a peak plant for storing surplus generating capacity in an electric grid by lifting water from the Qattarah lake to two high reservoirs at a level of 208 meters above sea level then reintroducing this water in order to operate electric generating turbines during the period of peak

electricity consumption (the early hours of the evening, in which all patterns of consumption coincide — factories, public lighting, vital utilities, systems, household consumption, shops and store displays.

The Qattarah Depression, in the words of Eng Muhammad Mahir Abazah, minister of electricity and power, will be an artery sending life into the heart of the Western Desert in general and along the northwestern coast in particular. The Western Desert is about 680,000 square kilometers in area, or about two thirds the nation's area, and represents the breathing space toward which the new centers of construction for future generations of Egyptians will be heading.

Production and Storage of Electricity Double That of the Dam

The project is fundamentally based on the use of an integrated system of solar energy and falling water to generate electricity establishing a giant hydro-electric generating plant whose capacity will be more than double that of the High Dam plant. It will provide electric power for redevelopment projects in the northwestern coast and in extensions of built-up areas, industrial expansions and tourist villages.

The depression is about 20,000 square kilometers in area, or about 3.65 million feddans -- somewhat less than the cultivated area in Egypt. The length of the depression, from northeast to southwest, is about 298 kilometers, its maximum width is about 145 kilometers, and the floor of the depression varies from 50 to 60 meters below sea level; the deepest point in the depression is about 134 meters below sea level. It represents the greatest depression in Africa and one of the greatest in the world, in terms of depth and area.

In another area, development planning experts see the hope of the future in the project and form the dimensions of their vision of the foreseeable future by a scientific measurement, as follows:

Greatest Center for the Mining and Chemical Industry

It will be possible to farm broad areas of land fit for agriculture in the Western Desert once it becomes possible to provide the power needed to raise Nile water by an irrigation system from the south behind the Asyut Barrage and behind the al-Khayriyah Barrage from the east, in addition to the system of drains and agricultural drainage stations toward the sea, integrating the expansion projects on the High Dam to the south with the expansion projects on the Qattarah Depression to the south.

Experts estimate the volumes of daily output of minerals it will be possible to obtain — whose mining has become economic with the constant increase in their prices — at about 2 tons of gold, 74 tons of silver, 86,000 tons of alloy and metals, 25,000 tons of potassium and magnesium, and 1 million tons of sodium chloride, in addition to large amounts of barium, iodine, chloride and fluoride.

Egypt will possess a giant hydroelectric generating plant which will be characterized by costs which are low relative to those of thermal plants, given the tendency of oil prices constantly to increase. It will also enable the peak electricity consumption load station to guarantee an electricity supply and achieve balance in the Egyptian electricity grid.

As the governor of Matruh, Maj Gen Fu'ad Nassar says, no less than 3 million Egyptians will make a living from the economic activity of the Qattarah Depression project and the expansion activities on this giant project, which will constitute a region attracting a population from the Delta and the Nile Valley; the northern coast from Kilometer 24 west of the city of Alexandria up to al-'Alamayn, covering a distance of about 100 kilometers has been set aside for tourist and construction projects.

There are two new canals, the Bahij and al-Nasr Canals, drawing their water from the al-Nubariyah Canal 40 kilometers from Alexandria and proceeding toward the rim of Qattarah. It will be possible to transmit water from them by pipe in order to apply the drip and sprinkler irrigation system for the agricultural expansion of desert crops. The Bahij Canal, the major portion of which has already been excavated, is actually irrigating about 60,000 feddans and expansions can be made in it to about 150,000 feddans.

The first person to think of exploiting the Qattarah Depression, as Eng Kamal Hamid, chairman of the Qattarah Depression Authority, recalls, was Dr Benck, professor at the University of Berlin, in 1916. Then Dr John Paul published the first study on the project in London in 1928, publishing also some research in the GEOGRAPHICAL JOURNAL under the title "The Qattarah Depression and the Possibility of Using That to Generate Electricity." Two years after that, the Egyptian engineer Husayn Sirri, undersecretary of works, presented the first integrated Egyptian study on the project to the Egyptian Scientific Society in 1931, and the project began to attract the attention of Egyptian cabinets in varying degrees. However, the outbreak of World War Two postponed implementation of the study, since the project area was a theater of military operations, and mines were laid over about 20,000 square kilometers in the area; the famous "fields of the devil" still contain tens of thousands of live mines which Egyptian explosives experts have started to clear.

West Germany Finances Project Field Studies

In July 1973, says Eng 'Abd-al-Latif Mabruk, Qattarah Depression project director, the Council of Ministers agreed to give the Qattarah Project priority among national energy projects, on grounds that it was a multipurpose economic project. The West German government was interested in the project and provided a grant to finance project field, economic and technical studies whose costs totalled about 18 million German marks. A contract actually was made with the German consulting firm Lameier to carry out these studies and research works.

The geologist 'Abduh al-Basyuni, expert in geological and topographical studies in the Qattarah Depression Authority, says that all soil samples, reports, and survey grid points were sent, soil samples were analyzed in the Geological Research and Survey Institute in Frankfurt, and the German government assigned the German consulting firm Giehardt and Kung to conduct "probes" at 21 sites along the proposed routes to link up the Mediterranean to the depression and inside the natural reservoir discovered at Dayr Karim, 230 meters above sea level, whose capacity is about 55 million cubic meters.

However, another group of experts considers that before embarking on implementation of giant projects of this sort, detailed studies and research work should be carried out to determine the feasibility of the project from the economic standpoint. The Qattarah project is basically an energy project, alongside its other peripheral benefits in the form of tourism, oil exploration, production of salt and food, and so forth. Feasibility studies on the project financed by the German government in the past 10 years, which were assigned to the German consulting firm Lameier, have shown that the project, with its big investments, needs further study before its unquestionable feasibility can be determined; to this moment, the feasibility of this project among [other] projects, foremost among them the Egyptian national nuclear power plant program, has not been established.

In particular, according to objective studies, the cost of kilowatt hour from a nuclear plant will be less than from the Qattarah Depression. In addition, the capital required for a nuclear plant of the same capacity as the Qattarah plants is much less than the capital needed to carry out the Qattarah project.

In the initial 10 years, the Depression (whose lowest point is 134 meters below sea level) will be filled; it is assumed that the equilibrium point of the depression will be 60 meters below sea level. In the first 10 years, the depression will be filled till it reaches this level, and after it reaches that, water equivalent to the amount of water evaporating from the surface of its lake will be drained into the depression. As a result, the power to be generated in the first 10 years will amount to 625 megawatts, or power equal to 5 billion kilowatt hours per year; after the first 10 years, this power will drop to 300 megawatts, or an annual power of 3 billion kilowatt hours per year.

The basic sources of traditional power in Egypt are confined to the hydraulic power which supplies hydroelectric generating plants and oil and oil products which supply thermal electric generating plants. Hydroelectric plants have been exploiting about 80 percent of the hydraulic power which can be generated from the waters of the Nile river by exploiting the difference in elevation following construction of the Aswan reservoir plant in 1961, with a capacity of 345 megawatts, and the High Dam plant in 1970, with an installed capacity of 2,100 megawatts. The remaining 20 percent of the water from the Nile River which can be exploited in the future consists of the second Aswan reservoir plant project and plants to generate electricity in the barrages on the Nile at Isna, Naj' Hammadi and Asyut; the capacity of these plants will come to about 200 megawatts. It is well known that the differential in the water level between Cairo and Aswan is about 70 meters and that it is possible to generate about 630 megawatts from this differential; that can be generated at the existing barrages and the new barrages which will be built between Asyut and Cairo. In addition, the second Aswan reservoir plant will be constructed; its capacity will total about 240 megawatts.

How, then, will we start implementation of the giant project?

[9 Dec 80 p 37]

Greatest Electric Power Reservoir in the World

The starting point in construction of the Qattarah project -- whose construction will begin 1 year from now, upon completion of the final project studies -- will be

at a site which is totally devoid of signs of development, 6 kilometers east of the town of al-'Alamayn. There, where a new Egyptian port will be born at the entrance to the Qattarah Canal, the site will throb with movement, surge with development, and pulsate with life, so that the waters of the Mediterranean may start their course across the second Egyptian ship channel, 54 kilometers in length, southwest toward the northwestern rim at the oasis of al-Mughirrah.

Egyptian and foreign experts have resumed weighing the various solutions to bringing the sea to the depression — by open or closed channel, by nuclear excavation or traditional excavation, or a mixture of these alternatives — to arrive at the solution which will combine the greatest amount of advantages with the smallest amount of shortcomings. Generations of Egyptian, German, Swedish and Swiss experts have been following up on these research works and studies for 65 years.

Experts also consider that at the Qattarah Canal's entrance to the Mediterranean, in brief, will have to be at a site fit for construction of a deep port which will not be subject to coastal erosion, scouring by waves, or influence by marine currents or accumulations of sand. Following that, all the experts' efforts have been concentrated on seeking the most appropriate Qattarah Canal route, representing the shortest axis connecting the sea to the depression, lowering the costs of excavating the canal to the minimum possible level. This accounts for an influential factor in the economics of the project when we realize that the costs of digging the canal will represent about 40 percent of the costs of the project as a whole.

Scholars' efforts have resulted in the discovery of four main sites that are suitable as entrances to the Qattarah Canal or the waterway linking the sea to the depression, as represented by their natural situation, which is suitable for the construction of a new Egyptian port between Alexandria and Matruh, lessening pressure on the country's main port. From these points of entry the nine proposed routes of the canal branch out.

A New Port at the Entrance to the Canal East of al-'Alamayn

The entrances to the new Egyptian canal, the Qattarah Canal, are spread out over a distance of about 100 kilometers, starting at Ra's al-Bahrayn east of al-'Alamayn.

Now that the opening of the Qattarah Canal and its proposed routes have roughly been determined, Eng Muhammad Mahir Abazah, minister of electricity and power, says that it has been the duty of the Egyptian and German experts to choose between the two means of excavating the waterway, making it a tunnel or an open channel and using a clean nuclear excavation or a traditional one.

At the outset, the choice of nuclear excavation was attractive to the experts, thanks to the fact that its costs were quite low, entailing project costs of only about \$4.8 billion, while the costs of the project, using traditional excavation, would be about \$8 billion! When the "nuclear solution" to the Qattarah depression was presented for discussion, experts favored selection of one of the six routes lying to the east of the town of al-'Alamayn.

later, after nuclear excavation was ruled out for good, the choice swung in favor of the three routes lying to the east of al-'Alamayn, all starting at the site of Ra's al-Bahrayn, which was chosen as the entrance to the canal.

In another area, experts of the Egyptian Remote Tracking Center conducted the first survey by Landsat satellite. The space survey covered all the area surrounding the Qattarah Depression, involving an area which totalled about 95,000 square kilometers.

The object, as Dr Muhammad 'Abd-al-Hadi, head of the center, says, was to prepare a collection of geographical maps and to study soil formations, surface drainage trends, and the form of groundwater deposits under the ground. A group of electronic photographs was used for that.

In order to realize this objective, Dr Ibrahim al-Qassas says, the center presented the electricity sector with a request for a new study on the whole depression region, using the most modern air reconnaissance equipment installed in the center's research plane.

It was apparent from space maps that some water sources in the depression basically originated from groundwater which rose from deep in the ground to the surface of the earth, and used fissures as their outlet. In addition, the origin of most of the salts and soil on the depression floor may be attributed to the evaporation of water rising through the fissures and to detritus brought into the depression by the abovementioned watercourses and flood channels from the surrounding area. These geological formations will also play a great role in the determination of sites on which installations involved with generating electricity will be established, as the best sites will be chosen for them and sites which could result in the cave-in of the installations, especially as far as the precipice along the northern limit of the Qattarah Depression goes, will be avoided.

Elimination of Nuclear Waste Would Eat up Cost Savings

The Egyptian nuclear scientist Dr Muhammad 'Abd-al-Ma'bud al-Jubayli, former minister of scientific research and nuclear power, says, "I do not believe that there is a totally clean nuclear explosion.

"In these nuclear detonations for peaceful purposes, explosives are used which are designed to give the least possible amount of radioactive fallout. On these grounds, and for specific reasons, I am in total agreement with the decision to rule out the use of nuclear explosives in excavating the Qattarah Depression Canal. Foremost among these reasons are:

"The use of nuclear explosives for peaceful purposes is governed by international law in this field, and there is a group of international treaties and agreements in effect.

"In another area, countries possessing nuclear weapons, which can provide this kind of service for nuclear explosions — principally America and the Soviet Union — have not yet passed laws and statutes on whose basis such services can be provided, governing the means for guarding and protecting these explosives when they

are transported to another country to cope with theft and sabotage. It is anticipated that preparation of such legislation and statutes will take many long years; as a consequence, even if the nuclear technology for the excavation of canals is entirely ready for application from the technical angle, we will have to wait many long years before its use is possible from the legal standpoint.

Five Nuclear Excavation Experiments in the Whole World Put they Have Not Been Carried out

"The studies which have been carried out in the entire world on projects to excavate canals by nuclear explosions are five in number, specifically. These are the project for the canal of the Isthmus of Central America in Panama or Columbia, which the United States has taken over, conducting the experiment on the detonation of five nuclear charges at the same time, each one equal in force to 1,200 tons of dynamite. Although the study concluded that the economics of the project would require a concentrated research and development program, the United States did not conduct any research in that field after this study was completed.

"There is the Soviet project to link up the Pecora and Kolva rivers to retain a stable water level in the Caspian Sea. An experiment was carried out on a portion of the route using nuclear explosion of three charges, each one the equivalent to 15,000 tons of dynamite, and a limited, small portion of the canal route was dug; it has not yet been determined whether the canal will be dug by traditional or nuclear excavation.

"There also are projects for two other canals, one, in Thailand, the Kara Canal project, and one in Venezuela, to link up the two branches of the Amazon River, the Orinoco and the Rio Negro. Pre-feasibility studies have been made on the two projects, to choose between nuclear and traditional excavation, and neither of the two governments has yet made a decision. The fifth project in the world is that of digging the Qattarah Depression Canal.

"Thus it appears that only feasibility or pre-feasibility studies exist, or limited experiments which have not yet actually entered the realm of the real application of nuclear explosives in digging canals anywhere in the world. We cannot allow our country to be a field for experiments for others in a serious, expensive area of activity."

Nuclear Explosions May Be Suitable Just 5 Days out of the Year

It is apparent, from the feasibility report prepared by German experts, following a climatic survey covering a year that the days fit for the performance of clean nuclear explosions number five, to be precise. However, it is apparent — Dr Muhammad Sa'd-al-Din Harb, chief of the Egyptian Meteorological Authority, is talking — that the procedure followed in counting these days is not to be considered a precise measurement of actual Egyptian weather conditions.

It appears that the studies actually carried out contain many gaps of time which might reveal additional appropriate days. However, one cannot state with certainty that the climatic conditions prevalent on a day which has passed will be

repeated again in the same form which is suitable and ideal for such expositions. The nonoccurrence of such suitable conditions - assuming that is the case - means that one must wait for the coming year or years, and that will impose differences in construction prices on the project.

The costs of digging the canal by nuclear excavation, says Dr Muhammad 'Izzat 'Abd-al-'Aziz, director of the Nuclear Power Authority's Nuclear Research Center, are one-third those of excavating by traditional means; some preliminary studies, which our experts have actually carried out, have shown that the total costs of the project, in one of its design conceptions, will come to about 650 million pounds for a canal excavated by nuclear explosives, as compared with about 4 billion pounds for a tunnel to be built by traditional means.

Eng Muhammad Kamal Hamid, chairman of the Qattarah Depression Authority, continues the discussion by saying "Once again the German experts have started to recommend excavating the first 10 or 20 kilometers from the canal inlet on the Mediterranean coast -- that is, the area adjacent to the marine and populated environment, road systems, telephones, railways, land routes and electricity -- by traditional means on condition that excavation of the remaining distances be done by nuclear explosions.

"However, the Egyptian scientists have said their say: it is true that radioactive materials of relatively short lifespan arise from 'clean' nuclear explosions, but they are harmful, and such explosions cannot be controlled, as they are at a depth close to the surface of the ground. The risk of such explosions lies in the fact that one cannot control the radioactive materials created by the fission process, as a consequence of atmospheric variables and wind direction, not to mention the fact that there is no 100 percent clean nuclear explosion. With an active wind, one cannot control the effects of such explosions."

[10 Dec 80 p 3]

When the Mediterranean water reaches the tremendous depression via the al-'Alamayn Canal for the first time, 10 to 23 years specifically will elapse before the whole depression is transformed into the biggest and deepest man-made lake in the world, equal in its surface to the whole Nile Delta and double all the lakes in Egypt in area!

When the sea water reaches the depression in the first stage of the project, following excavation of the canal, it will drop with tremendous force, falling about 60 meters to the floor of the deep depression in order to turn the turbines of the base electric generating plant, which will have a capacity of about 640 megawatts. It is true that that is about one-third the generating capacity of the High Dam plant, but, following construction of the nuclear station, its capacity will multiply to more than twice that of the dam. A large part of the power generated will be mere storage of the power that actually exists but will be within our power to consume when we want, so that we can cope with hours of peak electric consumption, especially in the early evening hours. How so?

The problem facing experts in operating electric plants and grids throughout the world now is that of coping with peak consumption periods. The capacity of

generating plants is limited and is almost sufficient for daily consumption requirements, which are lowest in the late hours of the night and the first hours of the day.

An Appeal to Egyptian Scientists To Study All Likelihoods

The surface of the Qattarah Depression lake will represent about 3 percent of the area of Egypt, that is, slightly less than the populated agricultural area, which is now about 4 percent. However, we claim that it is necessary to carry out an in-depth study on the effects of such a vast lake on the groundwater reservoirs in the Western Desert whose volume we do not accurately know, just as we do not know the directions where the effect of the rise in groundwater will appear. It will be necessary to give deep thought to the process of "allotting a time horizon" of benefits and costs, and studies of this kind usually cannot cover more than 50 years in the case of dam and reservoir projects, including the Qattarah project. What concerns us are the likely effects on the lives of future generations of Egyptians, although such fears should not prompt us to rule against the project in advance.

There are also a number of points worth studying on the Qattarah lake which will require efforts by Egyptian scholars. Specifically, these are:

An increase will rise in the salt concentration of the lake water and a drop in the rate of evaporation on the lake surface, as a result of continuing evaporation from the surface of the lake and its constant replenishment with seawater, whose salinity comes to 35,000 parts per million. This will consequently lead to a drop in the amount of water introduced and a gradual reduction in the amount of electric power added.

The rise in relative humidity over the lake surface as a result of the lack of movement in the layer of air touching the surface will also lead to a drop in the rate of evaporation; this in turn will lead to a rise in the water level in the lake and will also lead to a drop in the amount of water introduced. Experts are seeking a way to maintain a fixed rate of salinity in the lake to guarantee a fixed rate of evaporation, by establishing chemical industries to extract the salts. Meteorology experts have actually started studying the wind movement and the volume of evaporation over the surface of the depression, and the project authority has established two meteorological stations at the foot of the depression to record various climatic variables — the velocity and direction of the wind, the rainfall rate, the average evaporation, the amount of sunshine, and so forth.

After a period, which will be at least 10 years from the start of the operation — according to a careful study measuring the rates of flow of water through the canal between the sea and the depression — the depression will be filled with water and the capacity of the base generating plant will decline when the volume of water introduced into the depression is restricted to the volume of water evaporating off the surface of the lake. Therefore, a study of evaporation rates in the area over the period of a year will be of great importance as regards the economic feasibility of the project.

Accurate Studies on Evaporation and Rainfall over the Lake

Meteorological experts combine the volumes of evaporation and rainfall on the surface of the lake. Experts estimate the volume of rain at about six hundredths of a millimeter per day. It is expected that this rate will rise gradually after the sea is connected to the depression, following the formation of man-made lakes at varying levels over the depths of the depression which will ultimately form one lake; then, the volume of rain (going by that measured at Lake Qarun) will be 1.2 millimeters per day. In another area, the average evaporation over the depression before the water is introduced into it is estimated at about 6.7 millimeters per day; by a simple calculation, the actual rate of evaporation will be 5.5 millimeters per day, which is the same as the rate of evaporation over Lake Qarun. This rate will drop three-tenths of a millimeter about every 100 years; experts anticipate that this rate will remain stable for the first 100 years at least. It will be necessary to balance the rate of water flow through the base generating plant turbines with the rate of evaporation on the surface of the lake. Finally, once the lake is filled up, the capacity of the base generating plant will drop from about 640 to about 320 megawatts and the project will acquire importance as a system for storing electric power by using the surplus capacities of the electric generating plant in periods of low consumption load, in the last hours of the night and the earliest hours of the day, to raise water from the lake to a higher natural lake on the rim of the depression and bring this water back down to operate plants to cope with peak consumption hours.

There is a group of experts who consider that the fresh water reservoir under the Western Desert is not an old, closed reservoir but a replenishable reservoir representing a subterranean Nile River flowing from Uganda and the Sudan to the north across the Egyptian Sahara. Whether the underground reservoir is closed or replenishable, the introduction of seawater into the depression will affect the freshness of the groundwater reservoirs in the Western Desert. In spite of that, experts think it appropriate to complete the study on the effect of seawater on the freshness of the groundwater in the Western Desert as a whole and on the Siwah Oasis and the al-Bahriyah Oases in particular. The collection of studies which experts are carrying out includes the observation of all climatic variables in Alexandria, Ra's al-Hikomah, al-Dab'ah, Marsa Matruh, Wadi al-Natrun, Liberation Province, al-Jizah, al-Fayyum, the al-Bahriyah Oases, Siwa Oasis, and the Oases of al-Dakhilah and al-Kharijah. The experts' studies also dealt with measurements of the depths of the Mediterranean over a distance of about 100 kilometers between al-'Alamayn and Matruh, the quality of the seawater, designs of water force, agricultural and industrial development along the length of the northern coast and the area west of the Delta, and the effect of the project on local development and the domestic economy as a whole.

Calculation of All Project Side Effects Standing Now

The objective of all these studies is to calculate all the side effects the project might create. Perhaps the greatest reservation made about the project is the need to confirm that salt water, which, in some cases, will represent a source of artesian pressure, does not seep into Siwah Oasis and the al-Bahriyah Oases through the limestone which lines the floor of this region. Indeed, the whole

fear is that this salt water will percolate into some regions of the New Valley, since a gradual increase in hydraulic pressure toward these areas will result in a relative increase in the salinity of the water and a drop in its usefulness.

As regards the problem of water, it is possible to operate some water desalination units on solar power; there is a station in the America's Arizona Desert which produces about 28,000 cubic meters of water per minute!

Another group of scientists considers that it is necessary to benefit from the topographic nature of the project to lower the costs of construction by establishing two lakes at two different levels, not one lake on one level, since there would be a differential of about 20 meters between the two lakes, which would be separated by a small barrier at a narrow point representing a bottleneck in the middle of the depression where the road to Siwah Oasis passes near the al-Muhashas area. The surface of the first lake (the northern lake) would be about 60 meters below sea level, at which point it would be about 5,800 square kilometers in area. This group of experts estimates the amount of net evaporation from this lake at about 270 cubic meters per second. The surface of the second (southern) lake would be about 30 kilometers below sea level, and would be about 4,300 square kilometers in area; the net evaporation would be about 170 cubic meters per second, and thus the volume of evaporation in the two lakes combined would be about 440 cubic meters per second as compared with 650 cubic meters in the event the whole depression was turned into a single lake whose surface was 60 meters below sea level. It will be possible to reduce construction costs, as a result of the reduction in evaporation, the reduction in expenditures on the project and the width of the canal, and it will be possible to build two tunnels 10.5 meters in diameter each, so that the total excavation required for the two tunnels combined will be about 11 million cubic meters. The original great project was posited on the construction of two tunnels no more than 16 meters in diameter each. However, this project would increase the generating capacity in the Qattarah electricity plants, in spite of its high costs.

The team of meteorology experts participating in the research on the Qattarah project plans a big role, as Dr Muhammad Sa'd-al-Din Harb, chairman of the Egyptian Meteorological Authority, says, and that is to prepare numerical scientific models, or what could be called "scientific maquettes," of the project based on a computation of the volume of expected evaporation from the water surface of the man-made lake, which is to be considered the biggest man-made water surface in the whole world.

Another aspect which Egyptian meteorologists are studying is the effect of this immense water surface on the future of the Egyptian climate in general and the region of the project in particular, and what the future will be of the integrated construction complexes and probable agricultural activity on the shore of the lake for a distance of from 5 to 25 kilometers inland.

[11 Dec 80 p 37]

At the conclusion of this series of investigations by AL-NIRAM on the national Qattarah Depression project, it was necessary to hold this outspoken conversation with Eng Muhammad Mahir Abazah, minister of electricity and power, so that he could

respond to all the reservations made about the Qattarah Depression project. The minister appealed to all the scholars in Egypt to contribute their scientific efforts to studying all the side effects of the project and expressing their recommendations and observations. The minister said that the project is the subject of thorough, integrated, comprehensive studies, and a committee of experts at a high level of competence has been formed to review all these studies.

The minister of electricity said, "We must look upon the project as a national one with numerous economic aspects in industry, agriculture, tourism and energy, and not just an electric generating project."

Herewith are the minister of electricity's answers to the reservations expressed about the project:

Some people think that the "economic horizon" of the Qattarah project seems farther away than 2000 and that economic priority in carrying it out must be given to other energy projects.

The minister says, "In the light of the energy crisis facing the whole world, because world petroleum reserves will be faced with decline and depletion in coming years and petroleum prices will be constantly rising, electricity generated in the hydroelectric plants will be preferable to other, traditional thermal plants; the use of oil and oil products to operate thermal plants for electricity is becoming uneconomical. Although the massive costs which construction of the Qattarah project will require may make the cost of the power generated by its plants relatively high, when we look at the project as a whole — considering it a national project of numerous aspects in its influence on the domestic economy, involving tourism, development, industry, agriculture, oil exploration, and self sufficiency in food — its economic feasibility becomes acceptable."

However, have we benefited from the use of all water power sources in generating electricity?

Eng Mahir Abazah says, "The electricity sector is concentrated on the exploitation of sources of water power flowing through dams, reservoirs and barrages situated on the Nile. Having constructed the High Dam plant and the Aswan reservoir plant, we are now constructing a second plant behind the Aswan reservoir; at the same time, sector experts are looking into the construction of generating plants behind the barrages erected on the Nile at Isna, Naj' Hammadi and Asyut and on the barrages to be built on the Nile in the future. However, in their totality they will meet our requirements for electric power only to a limited extent and it will be necessary to construct new plants five times greater in capacity than those existing now between now and the end of the current century so that it will be possible for us to cope with the increasing demand for energy as a result of industrial expansion, agricultural development and the natural increase in consumption resulting from cultural progress. After the construction of the Nile barrages, only the Qattarah project among important water power sources in Egypt is left."

But where does priority in implementation of the Qattarah project lie among the power projects?

The minister of electricity goes on to say, "In addition to the Qattarah project, we are concentrating on implementation of the national nuclear plant program to generate electricity, now that this type of power has come to represent a secure, stable technology throughout the world. We will erect a number of nuclear plants, whose capacity will come to a total of about 6,000 megawatts, that is, more than double the capacities of all the existing electric plants. We will generate about 35 percent of the electricity in Egypt in nuclear plants.

"At the same time, we are erecting a number of traditional thermal plants, foremost among them the Shubra al-Khaymah electric plant, which is to be considered the biggest thermal plant in Africa and the Middle East, and other plants in the area of Abu Qir, al-Buhayrah and northern Upper Egypt.

"At the same time that Egypt is on the threshold of non-traditional energy, principally nuclear power, Egypt will possess the first center in the whole world for applications of renewable energy (solar and wind power, specifically). The European Common Market has agreed to finance construction of the International Center for Renewable Energy Research and Application in Egypt."

However, has a study been made of all the probable side effects of the Qattarah Depression project?

Eng Mahir Abazah says, "First, I would like to stress that the Qattarah Depression project [staff] is producing deeply thought out, integrated studies on all aspects of the project. For example, when we found that excavation of the channel hooking up the sea to the depression by clean nuclear explosions involved some uncalculated risks relative to the living Egyptian environment and represented a technology whose consequences were not entirely assured, we permanently ruled out the nuclear solution to implementation of the project, although it represents the cheapest alternative available for construction of the project. In another area, I issued a decree forming a committee of experts at a high level of competence and responsibility, chaired by Eng Sulayman 'Abd-al-Hayy, chairman of the National Development Agency, whose task will be, specifically, to review all the studies which have actually been made on the economic feasibility of the project and its side effects, especially as regards the effect of the salinity of the seawater on the groundwater reservoirs in the oases and the Western Desert, selection of the best designs recommended for the project in the event its feasibility is finally established, and completion of the studies bearing on the likelihood of side effects on the project.

"In conclusion, I appeal to all Egyptian scientists, domestically and abroad, to contribute their scientific efforts and present all studies, recommendations or reservations about the project."

Some feasibility studies have shown that the base generating plant in the project is not economic and that plants for coping with peak electricity consumption can be constructed in other areas, such as Jabal 'Ataqah and the al-'Ayn al-Sukhnah area, at lower cost.

The minister says, "In this regard, I have assigned a committee of experts to investigate the whole project; however, we must not look upon the project as just one of electricity, but rather, as I said, as a national multifaceted economic project for industry, agriculture, tourism, reconstruction and self sufficiency in food. In general, the experts are investigating like this to settle on construction of the base generating plant and postpone construction of plants to cope with the peak.

"In another area," says the minister of electricity, "it is necessary for us to take the accelerating increases in oil prices into consideration; what was considered uneconomic according to 1976 prices has become economical now, and its economic feasibility will increase in coming years.

"Suffice it for me to tell you that the project will provide a volume of electric power reaching about 50 billion kilowatt hours in the first 10 years which will be added to the power generated in the united electrical system. In the event this power was generated by traditional thermal plants, it would require about 15 million tons of heavy fuel oil costing about \$3 billion; that is, the project can meet its costs in 10 years of construction."

There still remains the main reservation about the project, regarding the immense capital.

The minister of electricity says, "There were three alternatives available for the implementation of the project, first, construction of an open canal by nuclear explosion, costing about \$4.76 billion.

"This solution has been permanently ruled out. The second solution entails construction of a watercourse comprising two tunnels by traditional means of excavation to establish a base plant with a capacity of 330 megawatts and storage plants with a capacity of 4,800 megawatts. The cost of this solution will come to \$8.43 billion. The high cost of this alternative solution makes it uneconomic. The third alternative involves the construction of a plant to raise seawater to an elevated canal 140 meters above sea level which will flow into a natural reservoir to supply the generating plant for coping with peak loads that will have a capacity of 4,800 megawatts. The costs of this alternative come to \$5.7 billion. This solution will be confined to pumping and storage plants only for the generation of electricity; there is no need for such a project in light of the operating pattern of the united electricity grid of Egypt.

"Therefore, in dealing with reservations on the immense costs, experts in the ministry have started a new study on excavation of the watercourse by traditional means while selecting a new route which will give consideration to reducing the volumes excavated and the use of the most modern methods of traditional excavation technology in the world. The selection has actually settled on a canal route lying east of al-'Alamayn which would reduce costs to about \$2 billion (that is, about 1.5 million pounds), instead of \$8 billion."

What about implementation?

Contact has been made with the Ministry of Defense to clear the remaining areas adjacent to the project of World War Two mines and the Ministry of War Production has expressed its readiness to construct a mobile chemical explosives plant in the project area to meet the requirements for excavating the canal by traditional means.

After the committee has finished evaluating the project studies a year from now, project specifications will be prepared. The minister of electricity says that the electricity sector will be in charge of spelling out the specifications for aspects bearing on the generating plants, while the redevelopment sector will take charge of determining the specifications bearing on construction of the 54-kilometer canal and the tunnel connected to the depression, which will be about 10 kilometers long. Implementation of the project will be put up for international bid, and international and domestic companies will be able to make join it.

Qattarah Electricity and the Post-Petroleum Era

The schedule for implementation of the electricity and power projects, foremost among them the Qattarah Depression project, must be sped up in order adequately to anticipate the dates for operation of the new plants and facilities and meet requirements for development and household consumption in existing towns and villages in Egypt, whose population is increasing and whose built-up areas are expanding at tremendous speed, in addition to the five new cities under construction. Qattarah electricity, in spite of the tremendous costs of the project, will be cheaper in the future, in the post-petroleum era.

Energy experts emphasize that Egypt's electricity -- clean power -- requirements will increase five times over their present level in the next 20 years. In fact, Cairo alone -- the Cairo of 20 million inhabitants in 2000 -- will, by the end of the century, need as much electricity as Egypt is consuming now.

Dr Fayiq Farid, head of the Greater Cairo Electricity Distribution Company, says that in the foreseeable future, according to experts' estimates, Egypt's energy requirements will multiply to about 100 billion kilowatt hours by around 2000 and it will require plants with a total capacity of about 21,000 megawatts, or the equivalent of about five times the installed capacity in the Egyptian system now, which is about 4,400 megawatts. For example, the consumption of electricity in Cairo alone will increase threefold above its current level in the next 10 years. Cairo now needs power totalling 1,200 megawatts, and in 1990 this will come to about 3,000 megawatts, which is the equivalent of Egypt's total consumption now! The same measurement applies to development of consumption in existing Egyptian towns, not to mention the five new cities under construction -- 15 May, 6 October, al-Sadat, and 10 Ramadan [sic].

Although per capita share of electricity has multiplied from 45 kilowatt hours in 1952 to 150 kilowatt hours in 1962, 230 kilowatt hours per capita in 1972 and

about 450 kilowatts now, this rate is still low in comparison with rates in the advanced countries, and this dictates increased electric generating capacity in Egypt.

So says Eng Muhammad Zahir Zayd, first undersecretary of electricity and power. What were considered exorbitantly expensive systems for generating electricity a few years ago have now, in light of the rise in oil, natural gas and coal prices, come to be considered reasonable by energy experts and apply to the Qattarah Depression project.

If we look at the project in all its numerous economic aspects, the project comes to possess acceptable economic feasibility.

We estimate Egypt's power generating capacity (peak consumption load) requirements in the foreseeable future, according to estimates by Eng Hasan Sirri, chairman of the Electricity Plant Authority of Egypt, to be about 4,565 megawatts by 1985 in a case of ordinary economic growth and 5,810 megawatts in the case of vigorous economic growth, rising by 1990 to about 6,670 megawatts in the case of ordinary growth and 9,005 megawatts in the case of vigorous growth, then leaping to between 8,400 megawatts and 12,000 megawatts in cases of ordinary and vigorous economic growth respectively by 1995. The two figures then leap again in 2004 to 13,250 megawatts at the minimum and 21,000 at the maximum. The north coast projects, according to estimates by Eng Samir Abu-al-Sa'ud, chairman of the Alexandria Electric Distribution Company, will need about 600 megawatts by 2000, including 219 megawatts for the new town of al-'Amiriyah and 200 megawatts for tourist projects west of al-'Alamayn covering an area of 1,500 feddans.

As a result of the expansion in industry and construction in the Governorate of Alexandria, the generating capacities required for the city alone, as Eng Kamal al-Shargawi, head of the Alexandria Electricity Region, says, have risen from 72 megawatts in 1960 to 150 megawatts in 1970 and 320 megawatts in 1980, and will rise to 350 megawatts in 1982, 460 megawatts in 1987, and 790 megawatts in 1990; that is, the city's requirements will double every 4 years.

However, Eng Muhammad Kamal Hamid, chairman of the Qattarah Depression Authority, has discovered that German experts, in their estimates of project costs and economic feasibility, relied on the oil prices of last year, 1979, while leaps occurred in oil prices in 1979 and 1980. An economic review of the report by some consultants has asserted that the costs the experts estimated are exaggerated by between 25 and 35 percent.

The surprise came when the study by a Swedish consulting firm stressed the correctness of the chairman of the authority's decision to shift the route of the water-course east of al-'Alamayn and to choose traditional excavation over nuclear excavation. More than that, the Swedish study emphasized that it is possible to carry out the project for less than \$5 billion, indeed within the limits of just \$2 billion by settling on construction of a base generating plant and leaving out the storage plants.

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PROBLEM OF WORLD WAR TWO MINEFIELDS IN PROJECT AREA REVIEWED

Cairo AL-AHRAM in Arabic 14 Dec 80 p 6

Article by Jabir al-Maj'awi: "What Have We Done with the Minefields Littered about the Route to the Qattarah Depression?"

Text The people working on the Qattarah project, which is now on its way to implementation, will have to enjoy safety on every square inch of it.

The al-'Alamayn area living between the Mediterranean and the Qattarah Depression -- 72 kilometers long and 54 kilometers wide -- was the scene of tremendous military operations in World War Two between the axis and allied armies. All that the operations in al-'Alamayn left behind are vast minefields spread about everywhere, concealing within themselves death at every step.

The maps show that the vast minefields stretch 72 kilometers from the Mediterranean to the south, that is, to the Qattarah Depression, which is 300 kilometers long and 143 kilometers wide.

This route, which will transport seawater in an open canal to the area of Ragabat al-Ralah, the first breach in the depression, and will be turned into a torrential waterfall falling from a lofty height for a distance estimated at about 116 meters, will penetrate vast fields of English, German and Italian mines which were buried close to the surface of the ground, making them extremely dangerous for persons and moving objects; in fact, the tank mines have lost their characteristics over the long period of 38 years, and because of climatic changes; their charges have crystallized and oxidized and have become extremely sensitive and highly dangerous, prohibiting passage.

It will take massive efforts to clean out the eight areas which these vast minefields comprise in their totality, and which were called, in the memoirs of Montgomery, the commander of the British Eighth Army, "the devil's gardens."

The first area, the coastal area, is the coast road between Matruh and Alexandria, between kilometer 70 and the Sidi 'Abd-al-Rahman mosque. This was cleaned out by an Italian-Egyptian company between 1956 and 1960. However, the Corps of Engineers has not yet officially taken delivery of it and it is probable that there are leftover mines and bombs in it. It is considered a "dubious" area.

In the second area, surrounding the al-'Alamayn station (al-Qassabah), only the TNT mines were cleaned out, and mines containing other explosives have not yet been cleaned out.

The third area, al-Ruwaysat, is the area Montgomery wanted to inspect during his visit to Egypt in May 1967 and to which he was taken by helicopter because the signs, maps and keys in it were missing; it closely resembles a dense forest in which danger appears with every meter.

The fourth area, Dayr al-Nasib, is not marked by signs, is not surrounded by barbed wire, and has no boundaries. The mines spread about in it in 1941 still remain to this day. In the Bedouin dialect, this area is called "al-Dayr al-Shin."

The fifth area, Umm al-Khawabir, was fenced off with barbed wire, but the wire has been removed and sold as "scrap iron," the area has become wide open and no one has ventured into it since the war. It is still covered with the flora of death!

The sixth area, Dayr al-Muhaifid, consists of terrible fields sown with German SMI anti-personnel shrapnel. These mines have green filaments resembling orchard grass. On the boundaries of the fields, the American Conrado and Sahara Oil companies placed signs with skulls on them in 1956 warning of danger lying under the sand in this accursed area and warning of the presence of the terrible German Teller mines there.

The seventh area, al-Humaymat, is the only area laid with French mines containing two explosive devices containing "picric acid" alongside Italian wooden mines; no one has gone through this for 38 years because of its hazardous nature and the effectiveness of the materials buried there.

The eighth area, Ragabat al-Ralah, which is considered the bottleneck to the depression, is filled with infernal traps to obstruct the progress of the Germans and is piled up with mines and bombs filled with all types of explosives one would not think of! Death lurks in the territory of these mournful areas which total half a million feddans of barren land, and mines have prevented the excavation of a channel from the Nile to farm and develop them. If we want to begin carrying out the Qattarah electricity project, the specter of death will have to disappear before the feet of engineers or workers are set on the ground leading to it.

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